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ABSTRACT

The study directs attention away from urban poverty to the nation's rural poor and how they are served by five public assistance programs: Aid to Families with Dependent Children (AFDC) and its Unemployed Fathers Component (AFDC-UF), Supplementary Security Income (SSI), Food Stamps (FS), and General Assistance. The 41% of the nation's poor who live in rural areas are older, more disabled, less educated, more likely to be employed and live in husband-wife households, and less likely to receive income from public assistance than their urban couterparts. Twenty-five states house 83% of the rural poor in or near small towns. In 20 of those states, most public assistance programs examined serve the rural poor less adequately and equitably than their urban counterparts. The public assistance programs in states which have more than 1/3 of their total population in rural areas tend to be characterized by low benefits, underparticipation, and limited coverage. Public assistance policy should be as much a rural as an urban issue. There should be a minimum floor for AFDC benefits and separate FS bonuses should be continued. The federal government should mandate AFDC-UF benefits for 2-parent families and design financial incentives to stimulate expansion of general assistance programs. (SB)

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Disclaimers

This report does not reflect the views of the Board of Directors of the National Rural Center, nor those of the Ford Foundation. Although the Steering Committee reviewed the early drafts of the report, it did not review this final report.

The Rural Stake in Public Assistance

Findings — *ABOUT THE RURAL POOR: WHO THEY ARE AND WHERE THEY LIVE*

Comparisons — *OF PUBLIC ASSISTANCE PROGRAMS IN RURAL AND URBAN STATES AND AREAS*

Analysis — *OF THE STAKE THAT RURAL POOR PEOPLE HAVE IN PUBLIC ASSISTANCE PROGRAMS*

. . . a special project supported by Ford Foundation

December 1978

Elizabeth A. Vinson, Project Director

Kate M. Jesberg, Principal Investigator

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PREFACE

THE PROJECT

The Rural Poor: How do the nation's public assistance programs serve them? What stake do the rural poor have in reform of the programs?

Over the past 15 years, much research and legislative action has been directed toward revamping the public assistance programs, but most of that effort has centered around the needs of urban, central-city poor populations. The great poverty and high visibility of that population makes such a focus understandable. However, about 41 percent of the nation's poor live in non-metropolitan areas. Their needs are similarly great, but their visibility is low. The result has been that very little attention has been paid to how the public assistance programs serve them. The principal purpose of this report is to begin to bridge that gap with information that can help give direction to new public policies with regard to income support for poor people in rural areas.

The National Rural Center's interest in reform of the public assistance system has its basis in several concerns, the foremost of which is its commitment to seek policies and programs that will help promote equity of opportunity for poor people in rural areas. Other concerns that relate to national policies for income support are: the positive effects of additional income for the very poorest population on economic development in rural communities and towns; the potential such income has for heading off further migration from rural counties; the need to build greater understanding of the interrelationship between rural and urban people, and the governmental polices that affect both.

By the time President Carter had introduced the "Better Jobs and Income Act", therefore, the National Rural Center had developed plans for a short-term project to examine the current public assistance systems in rural areas and to evaluate the implications for rural areas of the President's proposed bill and other related legislation. The goal was to develop information and insights that would help bring about more adequate and suitable income support programs for people in rural areas. The Ford Foundation provided the basic support that made it possible to launch the project.

About mid-stream in the project, however, it became clear that Congress would not enact a major "welfare reform" program during the 1978 session. The project's research design, therefore, was adjusted to permit greater emphasis on documenting present conditions of public assistance in rural areas, contrasting public assistance programs there with those in urban areas, and beginning to develop a firm data base which might help guide future policy recommendations.

"Welfare reform" has so many meanings that it seemed important to mention the range of perceptions held by advocates of change:

- In its narrowest use, the "welfare population" is limited to families in the programs of Aid to Families With Dependent Children (AFDC) and the Unemployed Fathers component, (AFDC-UF). For some, the goal of "welfare reform" is to reduce the numbers of participants and the costs; and the methods proposed range from an adoption of tough administrative and eligibility control programs to protect against participation by those individuals who are (or may be) ineligible and against over-payments to beneficiaries, to enactment of such managerial reforms in combination with "tough" work requirements. In another narrow sense, "welfare reform" means administrative reform plus assumption by the federal government of the present costs to states for welfare programs; i.e., fiscal relief for states. The basic assumption here is that the present system functions rather well, except that it makes welfare more attractive than work and costs too much.

- In a much broader sense the "welfare population" is defined to include all individuals and families now eligible for participation in existing programs: Aid to Families with Dependent Children (AFDC), AFDC - Unemployed Fathers Component (AFDC-UF), Supplemental Security Income (SSI), Food Stamp (FS), General Assistance (GA), Medicaid and housing assistance programs. That definition of the "welfare" population is often expanded to include all individuals and families whose incomes and assets fall below certain income levels. The goal of "welfare reform" here is perceived as an assurance of greater adequacy of income through cash grants to those who cannot work and supplements to those who work but earn very low wages, creation of additional jobs for the unemployed, and in-kind support in the form of food stamps, housing, medicaid and social services. In this broad view, the methods to achieve reform range from making incremental adjustments in present programs to replacing current programs with a new federal system. The basic assumption is that the present system has unacceptable inequities, inadequacies and inefficiencies, and that the nation can and must afford the cost of remedying the situation.

This report does not attempt to analyze the options for "welfare reform" at the extremes mentioned above or those in between*. Neither does it deal with the full panoply of programs included in the more comprehensive perception of the meaning of "welfare reform". Instead, it is concerned primarily with cash assistance and the closely allied Food Stamp program in nonmetropolitan areas. It deals only in a minor way with job-support programs and social services and not at all with housing and medical programs. That is due, not to any lack of concern, but to the design of the project and the limitations of staff, time and money.

THE NATIONAL RURAL CENTER

The main purpose of this Preface, however, is to inform the reader briefly about the National Rural Center and explain the relationship of this project to other NRC Programs.

THEME AND GOALS

The National Rural Center (NRC) is an independent, nonprofit organization created to develop and advocate policy alternatives and to provide information which can help rural people and their communities achieve full potential. Established in March 1976, NRC pursues its mission by conducting demonstration programs, using the results of existing research, evaluating social and economic programs, monitoring actions by the federal legislative and executive branches, engaging in basic research, and providing information. Based on the findings that result from its activities, NRC seeks to develop new, or alternative, federal and state policies that will enhance the opportunities for people in nonmetropolitan areas of the nation.

The guiding theme for NRC is that people ought to have a chance for a decent life in the kind of community in which they want to live. Although the Center seeks to serve a broad range of people who live in rural areas, its establishment grew out a commitment to develop policies and programs that can

*For an analysis of reforms proposed over the past decade (including "Better Jobs and Income") and the hard choices, paradoxes and dilemmas that go along with reform, we suggest Lester M. Salamon's book, "Toward Income Opportunity: Current Thinking on Welfare Reform." The publication is part of a series in the Welfare Policy Project, sponsored by the Ford Foundation and the Institute of Policy Sciences and Public Affairs of Duke University. Publication date - Spring 1977. For further analysis, we suggest "Work, Welfare and the Program for Better Jobs and Income," prepared by Professors Leonard J. Hausman and Barry L. Friedman at Brandeis University for the Joint Economic Committee of Congress - Published in October 1977.

improve the opportunities for poor people who live in rural areas. This concern for poor people continues to be NRC's top priority. People with incomes that are very low in absolute dollars and relatively low in comparison with national averages and general conditions have the fewest options for a decent life in rural areas.

"Rural development" is a term that is often used to describe what needs to happen to achieve the changes that might make it possible for people in rural areas to improve their opportunities and attain that desired life-style. The term is narrowly used by some to mean "economic development," but to NRC: "Rural development encompasses the many dimensions or conditions which determine the quality of life: access to public services and facilities; economic development; protection or enhancement of natural and environmental resources; and the capacity of rural people, communities and institutions to interact effectively in identifying and attaining goals..."

The top priorities established for NRC by its founders and first board of directors were employment and health in rural areas. Over the two and one-half years of its existence, NRC has extended program priorities to include small farms, development finance, education, legal systems and justice, transportation, housing, and community development -- all of which are related to the the need for better income and opportunities in rural areas.

NRC includes among the rural people it seeks to serve all people who live outside of Standard Metropolitan Statistical Areas (SMSA's) - whether they live on farms, in the open countryside, or in villages, towns, or cities of up to 50,000 population -- and all residents of those towns within SMSA's which are defined as rural because of low population density. That description constitutes NRC's definition of "rural". Except for the rural areas within SMSA's, it coincides with the definition of "nonmetropolitan" used by the Bureau of the Census and Office of Management and Budget for all farms, open countryside and places of 50,000 and less lying outside of SMSA's. The terms "rural" and "nonmetropolitan", "urban" and "metropolitan" are used interchangeably throughout the report.

ACTIVITIES

The work of the Center is organized into four kinds of activities: research and demonstration, policy development, information services, and communications:

Research and demonstration includes such work as:

An employment outreach demonstration project to develop ways to assure equal opportunity employment where federal public works projects are underway (e.g., the Tennessee-Tombigbee Waterway and the Richard B. Russell dam).

A health research project under which NRC is documenting financial conditions of rural health clinics to help develop reimbursement methods aimed at making well-managed clinics self-sufficient.

Policy development includes such activities as:

A project to determine whether or not the small farm can be a viable economic unit in this country, and what kinds of policies and programs would be needed to help make this possible.

A development bank project, (a joint effort with the Opportunity Funding Corporation) to develop recommendations for a mechanism that would serve depressed rural and urban areas by making credit more readily available.

The evaluation of Title V programs of the Rural Development Act, programs providing for assistance by Land Grant Universities to aid rural communities with development and growth.

Activities related to monitoring legislation and federal regulations; for example, the major employment, health and rural development programs.

Information services include such activities as:

Operation of a library as a specialized resource on a broad range of rural issues.

Provision of reference services on rural issues to individuals and organizations, including computerized bibliographic searches.

Technical assistance to community officials and community-based organizations to link them with sources of public and private funding and technical assistance needed for community development.

Communications include such activities as:

A major international conference on regional economic development tools for distressed rural and urban areas.

A regional health conference to evaluate proposals for organizing to serve rural health needs.

A series of conferences in Appalachia dealing with economic and community development.

Meetings with national organizations and federal officials to discuss major rural issues.

Newsletters and briefing papers on special issues: health, transportation and housing/community development.

Work with the Congressional Rural Caucus and special committees of the House and Senate, at their request.

CHAPTER I

SUMMARY OF FINDINGS AND RECOMMENDATIONS

In recent years, most debate about public assistance has focused on urban conditions and concerns, despite the fact that 41 percent of the nation's poor live in rural America. Given the general absence of attention to rural poverty and advocacy for changes in public assistance programs from rural people and their representatives, one might have assumed that income support programs serve the needs of rural people better than the needs of urban residents.

The major finding of this study is contrary to that assumption. Regardless of how one may view the quality and quantity of public assistance programs in urban areas -- the inadequacies, inequities and gaps in coverage in public assistance programs in rural areas and rural states generally are greater and more widespread than in urban areas and states. The unmistakable conclusion is that public assistance policy ought to be as much a rural as an urban issue. In short, rural people have a major stake in improving public assistance programs.

This Chapter summarizes the National Rural Center's statistical research project on the rural poor and public assistance programs and recommends some changes in policy. The highlights of the findings illustrate specific characteristics of the rural poor that are pertinent to public policy decisions; they demonstrate the inequities and inadequacies of public assistance in rural America and why the rural poor have a stake in improving public assistance programs.

FINDINGS ABOUT THE CHARACTERISTICS AND LOCATION OF THE RURAL POOR

The demographic findings are a reminder that public assistance programs in rural areas are important to large numbers of people -- a significant portion of the nation's poor, and that the particular characteristics of the rural poor are a useful guide to public policy. For example:

- More than 10.5 million poor people live in rural America. That is about 41 percent of the nation's poor people.

- About 15 percent of the rural population is poor, while only 10 percent of the urban population is poor. And, in the nation as a whole, the ratio is 12 percent.

- About 57 percent of the rural poor live in husband-wife households, compared to about 38 percent of the urban poor. Most of the rural poor are members of the work force, yet the incidence of poverty remains higher in rural than in urban areas.

- The rural poor are older, more disabled, and less educated than their urban counterparts, and yet only one-fifth of the rural poor receive all or some portion of their income from means-tested cash income support programs. This compares to one-third in urban areas, according to the project's findings.

FINDINGS ON WORK PATTERNS AND EDUCATION

- Despite the fact that they are poorer, older, more disabled and less educated, poor heads of households in nonmetropolitan* areas have a higher attachment to the labor force than do their counterparts in metropolitan areas or in the nation as a whole.

  For example, one survey showed that 67.3 percent of rural poor households had at least one member who worked. More than 8 percent had three or more workers. More than 20 percent had two workers; and more than 38 percent, had one worker. (See Chapter IV-A for more detail.)

*Nonmetropolitan and rural are used interchangeably throughout the report. For the project's definition of rural, see Chapter II and Appendix B.

In addition, rural poor heads of households had the highest participation in the labor force -- 57.5 percent. The comparable urban rate was 45.3 percent, and the national rate was 50.3 percent.

Of those rural poor heads of households who worked part time, the main reason given for reduced work involvement was an inability to find work.

- Most (87.3 percent) rural poor family heads are older than 25 years, yet almost 75 percent have not completed high school. Comparable urban figures are about 60 percent and the national average is about 66 percent.

- More than a third, 36.2 percent, of all poor nonmetropolitan family heads over 25 years have not completed elementary school.

FINDINGS ON POVERTY, GENERAL CHARACTERISTICS,AND RESIDENCE

The statistical profile by the National Rural Center also found:

- Most poor rural people are white, but blacks, in all categories, have a two-to-four times greater likelihood of being poor.

- Rural women who head families have a four times greater chance of being poor than rural men.

- Eighty-three percent of the nation's nonmetropolitan poor live in 25 states -- 14 of which are Southern, 8 Mid-western, 2 Western, and one in the North Eastern section of the nation. Sixty-two percent of those nonmetropolitan poor people reside in 16 states; 14 Southern, 1 Midwestern and one Western.

- Most of those in rural poverty live in or near small towns and villages, not on farms. But the farm poor have the highest incidence of poverty of any residential category.

FINDINGS ABOUT BENEFITS, AVAILABILITY OF PROGRAMS AND PARTICIPATION

The overall question is whether public assistance programs serve the rural poor as well as they serve the urban poor. The pattern is not uniform nationwide: some states in which a larger percent of the people live in nonmetropolitan areas have programs that compare favorably with those in states having a larger percent of urban residents. But -- and it is a very important "but" -- in all except 5 of the 25 states where more than 83 percent of the rural poor live, most public assistance programs serve the rural poor less adequately and less equitably than is true for their counterparts in urban states. And in many states which are largely urban, the rural residents are less effectively served by public assistance programs than are their urban counterparts.

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)*

The AFDC program varies significantly in Maximum Payable Amounts (MPA's) for a family of 4 in inter-state comparisons and in average payments in intra-state comparisons. Examples include the following:

*The AFDC program provides cash benefits to poor families with children -- families in which one parent, usually the father, is absent from the home. In some states, families with an unemployed father present in the home may receive benefits. For detailed information about the program, see Chapter IV-B and Appendix A.

- Of the 19 states having 50 percent or more of their population in nonmetropolitan areas, only 5 have monthly payments above the national average;

- Of the 12 states that rank among the top 25 as to percentage and number of nonmetropolitan residents only 3 have annual Maximum Payable Amounts (MPA's) above the median for all states.

- Eighteen of the 25 states in which 83 percent of the nonmetropolitan poor live, have MPA's which are below the median for all states. Fourteen of those states are in the South.

- Participation in AFDC by poor female-headed families tends to be less in nonmetropolitan than in metropolitan states, and fewer AFDC participant families are lifted above the poverty threshold.

- Among the 26 subregions in which rural and urban counties were examined, all but 3 showed lower AFDC benefits in the rural counties.

AID TO FAMILIES WITH DEPENDENT CHILDREN - UNEMPLOYED FATHERS COMPONENT (AFDC-UF)

Twenty-seven states provide AFDC-UF. Most are Northern and urbanized. For nonmetropolitan poor two-parent families, the situation is worse than it is for female-headed or single-parent families:

- Although almost 60 percent of the rural poor are in husband-wife households, only 11 of the 25 states with the most rural poor provide benefits for two-parent families (AFDC-UF).

- Twelve Southern states have over half (54 percent) of all the rural poor in husband-wife households. Yet only 1 of those states (Kentucky) provides assistance through the AFDC-UF program.

- Less than 5 percent of all the nonmetropolitan two-parent poor families in the 27 states examined in the intra-state rural and urban county comparisons are estimated to be receiving AFDC-UF benefits.

SUPPLEMENTAL SECURITY INCOME

The SSI program, established in 1972, brought important increases in benefits to the aged, blind and disabled in all states through the federally financed floor, increased benefits, and indexing for inflation. Before SSI, states with larger nonmetropolitan populations paid lower benefits.

Because the SSI benefit for the aged, blind and disabled is a federally set amount nationwide, the pattern of state supplements, rather than the benefit level, illustrates the contrast between metropolitan and nonmetropolitan areas.

- Twenty-six states provide supplements to the basic federal SSI benefit for aged individuals living independently. Although almost half (12) of all states providing supplements have significant rural populations, they are not states where a significant proportion of the aged poor are located. (Supplementation by states is optional.)

- Eleven states which rank in the top 25 of all states as to percent of nonmetropolitan population provide state SSI supplements to elderly individuals living independently (i.e., not in institutions).*

*States may provide larger supplements to SSI recipients who are in nusing home centers or other domicilliary care institutions, and many more states provide that supplementation, even when they exclude the non-institutionalized aged from supplementary benefits.

- In contrast, 11 states (largely Southern) have almost 40 percent of the nation's aged poor, yet only 1 of those states (Oklahoma) provides supplements.

FOOD STAMPS (FS)

The Food Stamp program, the only federal program which provides assistance based on need (income and assets), not categorically defined groups, offers important aid to rural poor people.

- FS bonuses are about the only benefits available for the working poor in many nonmetropolitan states where AFDC-UF is not in effect or where it reaches very few people, and for individuals and families in the nonmetropolitan states where there is little or no General Assistance.

- In 10 states (mostly Southern), it is the FS bonus that brings combined annual public assistance benefits for four-member, female-headed families above very low cash AFDC benefits ($720 to $2,376). Even so, the combined MPA's for AFDC and FS for four-member, female-headed families are below the median for all states in 18 of the 25 states where 83 percent of the nonmetropolitan poor live.

- Despite the obvious merits of the program, fewer AFDC families participate in the FS program in nonmetropolitan areas than in metropolitan areas; bonuses in nonmetropolitan areas are generally lower; and, in three-quarters of the 52 counties surveyed, nonmetropolitan poor people participated in the program at a lower rate relative to the incidence of poverty than was true in the metropolitan counties.

GENERAL ASSISTANCE

States that do not offer a General Assistance program are predominantly nonmetropolitan, and some states offer coverage only in parts of the state. In the latter cases, it appears that many more metropolitan than nonmetropolitan poor residents are served.

- Of the 19 states in which 50 percent or more of the residents live in nonmetropolitan areas, only 8 provide GA statewide, 4 provide it in part of the state, and 7 provide no GA.

- Of the 31 states having 50 percent or more of their population in metropolitan areas, 22 provide GA statewide, 4 provide it in part of the state, and only 5 have no GA program. Most of the states having no GA or partial state coverage are in the South and the Midwest.

- In the 52 rural and urban counties, states providing GA pay less in benefits to nonmetropolitan than to metropolitan recipients.

SYNTHESIS OF THE FINDINGS ON PUBLIC ASSISTANCE

Those findings about specific programs illustrate why the nonmetropolitan poor have an important stake in reform of the public assistance system. It is they who not only have the greatest degree of poverty, but are also more inadequately served by public assistance programs. An examination of the 25 states in which 83 percent of the nation's nonmetropolitan poor live provides a brief but detailed synthesis of the assistance the majority of the rural poor may receive.

- Sixty-two percent of all nonmetropolitan persons in poverty live in 16 states* which: (1) pay less than the median Maximum Payable Amount (MPA) in combined AFDC (cash) and Food Stamp benefits for a family of four for all states ($5,220), and (2) have a lower percentage of poor persons receiving AFDC and AFDC-UF or SSI than the national average percentage of poor persons receiving such benefits.

  Further, only two of those 16 states (Kentucky and West Virginia) offer the Unemployed Fathers (UF) component of AFDC, and only one (Oklahoma) provides supplements to noninstitutionalized aged SSI recipients. Fourteen of those 16 states have more than 32 percent of their total population in nonmetropolitan areas. (Texas and Florida are the exceptions.)

- Five of the remaining nine states of the 25 with the most nonmetropolitan poor (California, Pennsylvania, Michigan, Wisconsin and Illinois) have MPA's above the median MPA for all states. In those same states the percentage of poor persons receiving either AFDC, AFDC-UF, or SSI is above the national average. All five of those states supplement noninstitutionalized aged SSI recipients and provide the UF program. However, only one state (Wisconsin) has more than a third of its total population in nonmetropolitan areas.

- Two states of the remaining nine (Ohio and Missouri) have a greater percentage than the national average of poor persons receiving either AFDC, AFDC-UF, or SSI, but have a lower MPA than the median. Neither of those states provides supplements to noninstitutionalized aged SSI recipients, but both provide the Unemployed Fathers program. Missouri has more than a third of its total population in nonmetropolitan areas, and Ohio has less than a third of its total population in nonmetropolitan areas.

- The two remaining states (Minnesota and Iowa) in the grouping of 9 states among the 25 with the most nonmetropolitan poor, have a higher than median MPA, but a lower percentage of poor persons receiving either AFDC, AFDC-UF or SSI in comparison to the national average. Both states offer the Unemployed Fathers program, but only Minnesota provides supplements to aged noninstitutionalized SSI recipients. Both states have more than a third of their population in nonmetropolitan areas.

Thus, those states with the most progressive public assistance systems in terms of benefit amounts, participation, and coverage tend to be those with less than a third of their total population in nonmetropolitan areas. Although there are exceptions, those states with the least adequate public assistance systems and the greatest poverty have more than one-third of their population in nonmetropolitan areas. Clearly the degree to which the state is rural cannot be cited as the cause for inadequate welfare programs. Several highly nonmetropolitan states have relatively adequate public assistance systems. However, there is a strong correlation between states that have a significant proportion of nonmetropolitan population and those in which the public assistance programs are characterized by low benefits, under-participation, and limited coverage.

*Georgia, Alabama, Louisiana, Tennessee, Mississippi, Virginia, Indiana, Arkansas, Kentucky, Oklahoma, South Carolina, North Carolina, West Virginia, New Mexico, Texas and Florida.

RECOMMENDATIONS

As was noted in the Preface to this report, a principal concern for the National Rural Center is equity for rural people, especially the poor. The marked absence of equity in public assistance programs in rural areas is undoubtedly the most significant finding of the report. Significant, but not surprising.

Poverty is most frequently depicted as an urban phenonmenon. And it is a fact that during the past several decades many of the rural poor moved to the cities, only to become the urban poor. Despite that flow of poor people to cities, however, many of the poorest, least educated and oldest rural people were left behind in rural areas. And that is still true, despite the pattern of reversed migration in the 1970's.

Poverty, then is a national problem. And a national problem should suggest an approach based on equal treatment. But is it treated equitably? Indeed no. The rural poor are less equal and more easily forgotten than their urban counterparts...or so the project's findings suggest.

Need, not category, should be the criterion for any equitable and adequate reform of the public assistance system. The nationwide standard for eligibility should be based on need (measurements of income and assets) rather than the categorical classifications now applied in AFDC, AFDC-UF and SSI.

It seems so obvious and it has most certainly been said before, but poverty is a matter of income and assets, not categories of personal or family status. And the same criterion, if we are to treat one another equitably, should apply to the working poor as well.

So obvious, so necessary, so fair. But, perhaps, so distant, too. In the interim three steps could help reduce the severity of rural poverty. They are:

- A minimum floor should be established for AFDC cash benefits.
- The federal government should mandate AFDC-UF benefits for two-parent families, and eligibility requirements should be made more flexible and realistic.
- The federal government should design a system of financial incentives that will stimulate expansion of General Assistance programs by state and local governments.
- Food Stamp bonuses should be continued as a separate program to provide assistance to the poor who do not fit into certain categories -- an essential aid to those poor people who live in states where AFDC-UF and General Assistance are not provided.

Again, these recommendations are the obvious ones--those which were brought to the fore by disparities in the public assistance programs surveyed by the project. The list is by no means inclusive, nor is it intended to be. Our task was to find, describe, and analyze the rural stake in public assistance... and finally to report it.

METHODOLOGY

A demographic statistical profile was developed to delineate family characteristics, regional distribution, relative poverty indicators, and employment patterns of the poor who live in nonmetropolitan areas. That profile and a discussion of where the rural poor live and what the rural setting is like constitute the background for analyzing public assistance programs in nonmetropolitan and metropolitan states and areas.

Comparisons of public assistance programs were made between rural and urban states and between rural and urban counties within states. Since slightly more than 32 percent of the nation's population is counted as nonmetropolitan, all

states having 32 percent or more of their residents in nonmetropolitan areas were classified as significantly nonmetropolitan. In order to achieve maximum fairness in examining public assistance programs, states were grouped three ways, and comparisons of programs were made:

- Between states with 50 percent or more of their populations in nonmetropolitan areas and those with less than 50 percent,
- Between states ranking above and below the nation's top 25 in numbers and percentages of nonmetropolitan population; and
- Between states having more or less than 32 percent of their residents in nonmetropolitan areas.

In addition, analysis was made of programs in the 25 states in which about 83 percent of the nation's rural poor population lives.

To test the pattern of differences within states, comparisons were made between public assistance programs in 26 rural and 26 urban counties in the special subregions delineated by Dr. Calvin L. Beale* and Glenn V. Fuguitt* for their studies of population trends.

Programs examined by the project were Aid to Families with Dependent Children (AFDC), the Unemployed Fathers component of that program (AFDC-UF), Supplemental Security Income (SSI), Food Stamps (FS), and General Assistance (GA).

GUIDE TO THE MATRIX

The Matrix on the next page (Figure 1, Public Assistance Payments and Nonmetropolitan Population: All States) summarizes the findings for all states regarding AFDC and Food Stamp benefits; the percentages and numbers of nonmetropolitan population; the percentage of poor persons; and the availability or absence of the Unemployed Fathers program, General Assistance, and supplementation to SSI benefits.

Each state has an identification symbol (circle, triangle, square, diamond) based upon its level of average AFDC payments per person per month. For example, states having payments of over $100 have a triangle; those having the lowest payments (under $50) have a circle.

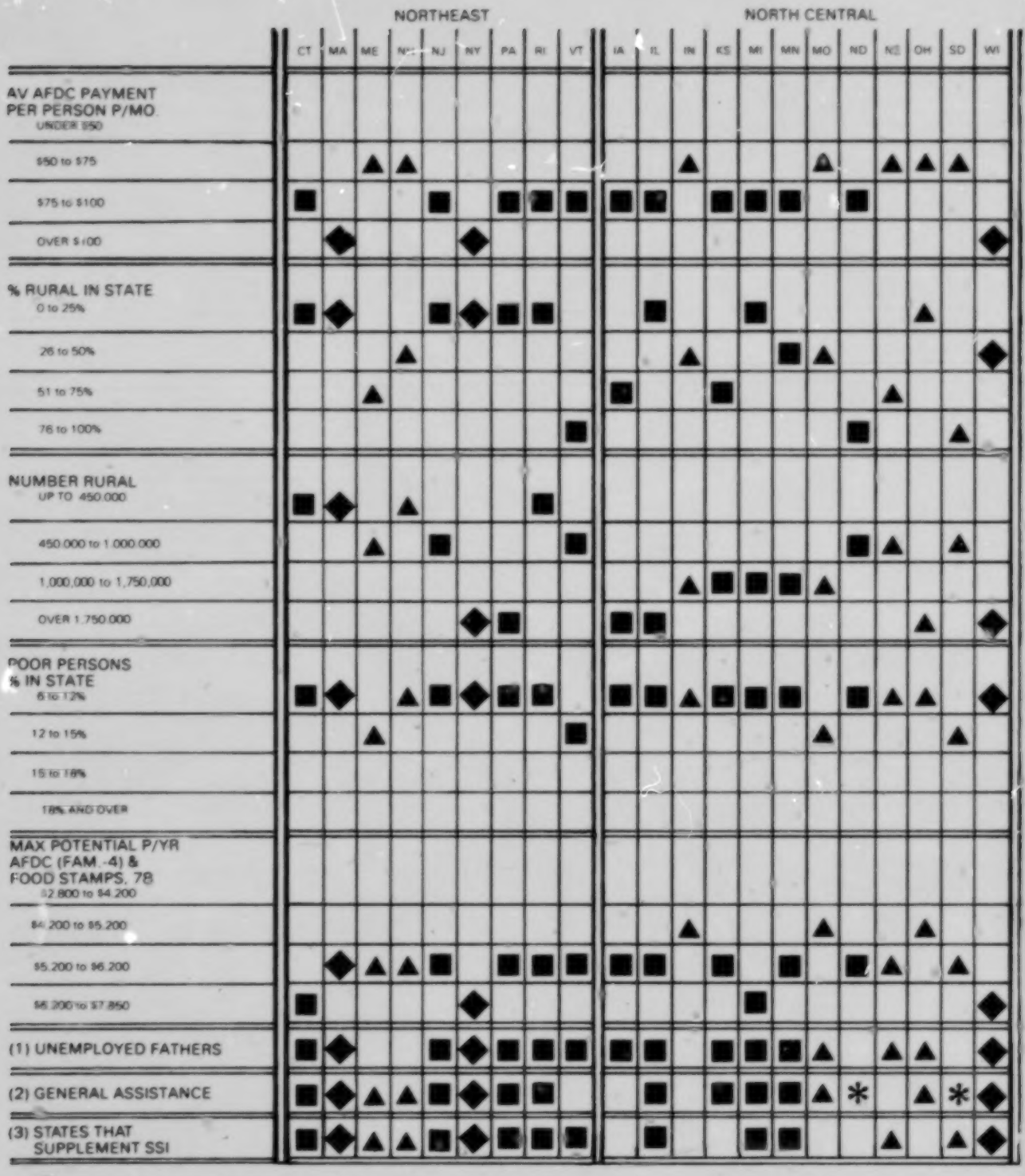
To gain a summary view of each state as to benefits, poverty population, nonmetropolitan population, and availability of programs, "read" the state's vertical column.

To gain a quick view of patterns for all states, read across the parallel columns. For example, it is readily clear from horizontal reading that the lowest-benefit states (circles and diamonds) are largely Southern or Western states, and that those states tend to have large numbers of nonmetropolitan residents -- a pattern noted earlier in the summary.

This visual comparison of state welfare practices, in conjunction with poverty indicators and nonmetropolitan population figures, is designed to illustrate not only the characteristics of assistance offered in each state, but to provide a comprehensive national picture of welfare programs and benefits from a rural perspective.

*Calvin L. Beale - Supervisory Statistician; Economics, Statistics, and Cooperative Service, U.S. Department of Agriculture; Glenn V. Fuguitt - Department of Rural Sociology and the Center for Demography and Ecology at the University of Wisconsin-Madison.

FIGURE 1. PUBLIC ASSISTANCE PAYMENTS AND



● states having an average AFDC payment per person of under $50

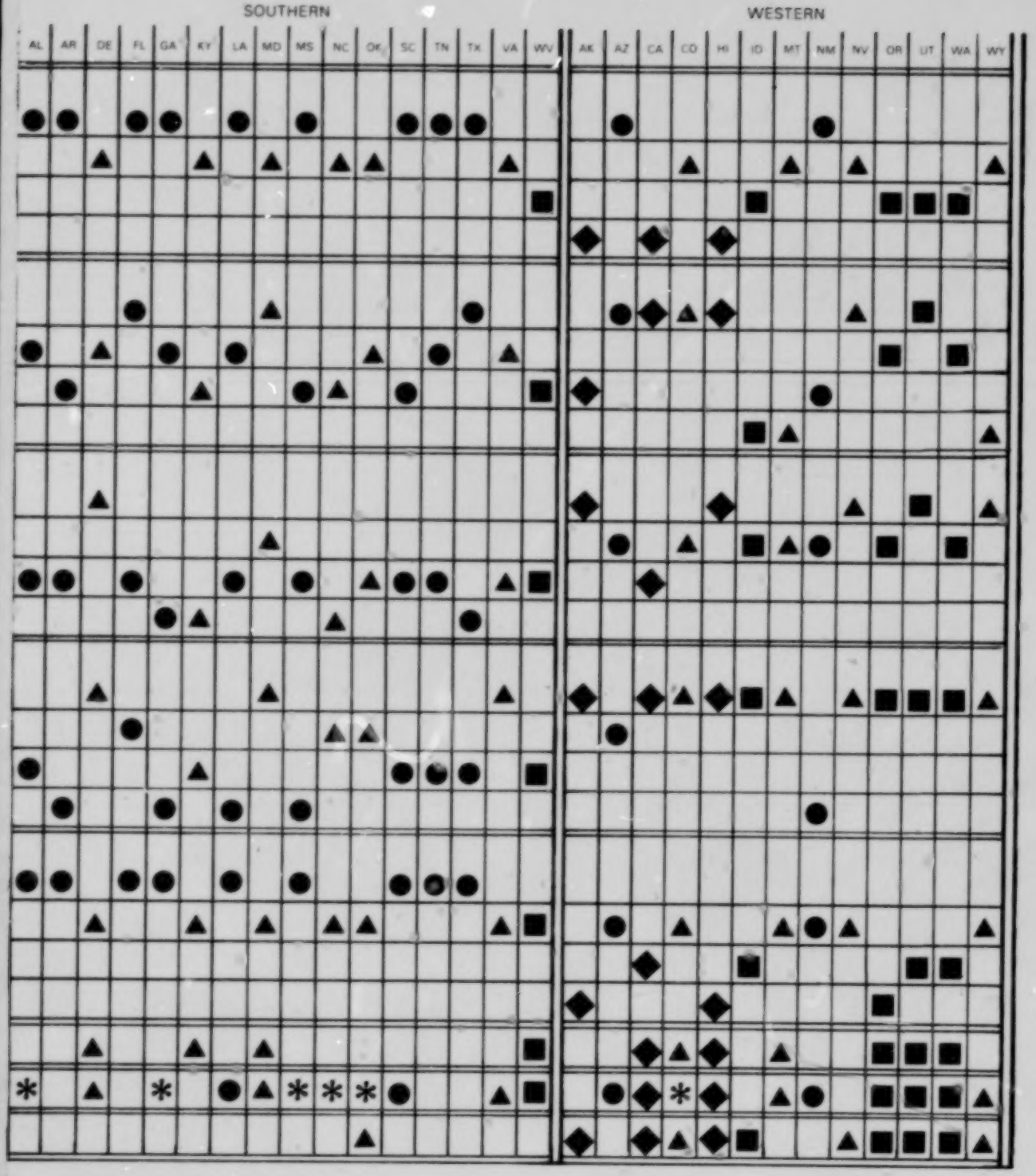
▲ states having an average AFDC payment per person of $50 to $75

■ states having an average AFDC payment per person of $75 to $100

◆ states having an average AFDC payment per person of over $100

(1) (2) & (3) Shapes indicate participating states
* indicates coverage only in parts of states
Blank spaces indicate absence of program

NONMETROPOLITAN POPULATIONS: ALL STATES



CHAPTER II

GOALS, PRINCIPLES, OBJECTIVES, AND METHODOLOGY

The purpose of this section of the report is to present the goals and objectives of the project and describe the methods used in assembling the data and information.

The project was designed to run six months, primarily because of the need to have timely information which would be useful in deliberations by executive branch and congressional officials with respect to President Carter's initiative to enact major changes in the public assistance and related job-support programs. Secondarily, NRC did not seek longer-range funding at the time this project was developed because it was felt that the project itself would produce insights into specific directions for a more permanent program at the National Rural Center.

The problem that constituted the basis for undertaking the project was stated thus:

> The incomes of about 15 percent of the people in nonmetropolitan areas are below the poverty level because they are unable to work due to age, disabilities, poor health, lack of training, family responsibilities, or lack of support services; or because they work in low-skilled, low-paying jobs; or because training for jobs and jobs are not available. Thus the problem is to identify programs of income support or maintenance that will provide basic income for those who cannot work and will help others move themselves out of poverty and/or dependency, and provide them with new opportunities to move toward greater self-reliance.

The following Steering Committee was established to review plans, methods and data periodically and to provide advice in general:

Eva Clayton - Assistant Secretary for Community Development, Department of Natural Resources & Community Development, North Carolina
Julian Ellison - Director, Economic Development Programs, National Rural Center
Leon H. Ginsberg - Commissioner, Department of Welfare, West Virginia
Tom Hahn - Executive Director, Orleans County Council of Social Agencies, Newport, Vermont
Leonard Lesser - General Counsel, Center for Community Change, Washington, D.C.
Barry Morrisroe - Rural Specialist, Department of Health, Education and Welfare
Mary H. Osgood - Instructor in Rural Sociology, the Pennsylvania State University; University Park, Pennsylvania
William E. Saupe - Professor, Agricultural Economics, University of Wisconsin-Madison, Madison, Wisconsin
Thomas Till - Staff Director, Task Force on Rural Development, U.S. Department of Labor

In addition, there was an NRC Staff Advisory Committee with the following members:

Ulysses Bell - Director, Employment Programs
Curtis Toews - Director, Southwest Regional Office, Austin Texas

Marian R. Shamu - Head Librarian
Florence Gallagher - Congressional Reference Specialist
Irma Elo - Health Program Specialist

Meetings of the Steering Committee, although limited because of the project's small travel budget and because of the busy schedules of members, were frequent enough to enable members to review the goals, directions and tasks for the project and the test data; to survey pending legislation and additional data that had been collected; and to discuss the shape of the final report and options for an ongoing project.

GOALS, PRINCIPLES AND SIGNIFICANT ISSUES

Initially, the National Rural Center's overall goal in undertaking the project on public assistance and the rural poor was to determine the implications of President Carter's "Better Jobs and Income Program" in rural areas. As was noted in the Preface, the goal was changed midway in the project because of decisions by the executive branch and Congress not to enact a major program of welfare reform. The goal then became to assemble comparative data about public assistance programs in rural and urban areas which could form a basis for determining what changes in the current public assistance programs and/or what new programs might be most likely to provide poor people in rural areas with more adequate incomes, jobs and related services.

It was agreed by the Steering Committee that the following general principles would be the measuring rods for evaluating existing and proposed programs:

1. Adequacy of benefits:
   To what extent do the benefits alleviate poverty, and to what extent do they serve the eligible population?

2. Equity: Does the system provide relatively equal benefits for individuals and families in similar circumstances? Are the poor in nonmetropolitan states and areas served as well as those in metropolitan areas and states?

3. Efficiency:
   Is the administration of programs relatively simple and direct; or is it disproportionately costly and so complex as to create barriers to participation?

Also, the Steering Committee agreed upon the following list of significant issues as being critical to the determination of public policy related to public assistance programs*.

Benefit levels. Should there be a federally mandated national income floor or should the states determine basic benefit levels? If there were a federally mandated minimum, should it provide for payment variations by region? Should states be permitted to vary payments according to rural or urban residence? What effects would a federally mandated income floor have on rural welfare recipients? On other poor people?

*The most obvious gap in the list is the question of fiscal relief for states. That issue was not critical to NRC's project, and is not examined. It is noted, however, in the comparison of legislation in the 95th Congress, second session. (See Appendix C.)

Eligibility. Should eligibility for assistance be extended to all people, based only on income (or income and assets) as opposed to eligibility based on a category of need, such as age, disability, blindness, family status; that is, should coverage be comprehensive or categorical? What should be the income guides for eligibility? Should Aid to Families with Dependent Children (AFDC) coverage for two-parent families (Unemployed Fathers, AFDC-UF) be mandated for all states?

Food Stamps (FS). Should food stamp bonuses be cashed out and folded into cash grants? What is the relationship between cash-out of Food Stamps and comprehensive versus incremental reform of public assistance progams? If Food Stamps are retained, how might delivery and availability to rural residents be improved?

Employment programs. What role should employment programs play for those who need cash assistance; that is, who should work, at what kinds of jobs, with what wages, provided by whom? Which would serve rural areas better -- private-sector job vouchers and credits or public service employment -- or a combination? What mix of social and support services would be needed?

Comprehensive versus incremental reform. What would be the effect for people in rural areas of comprehensive reform such as that proposed by President Carter? Should changes in the public assistance system be made in steps or under a comprehensive plan? If so, which steps should be taken first to benefit rural people the most?

Clearly, the project was not designed to deal with all of those issues in equal depth or to answer all of those questions. For example, it would have required extensive analysis of the potential multiplier effects of increased "welfare" dollars to determine the overall implications of reform for specific sections of the country. That should be the subject of another study. Neither was it in the purview of this project to evaluate the implications of various employment programs for public assistance recipients. The significant issues as outlined, nevertheless, provided a useful framework for gathering data and analyzing programs.

OBJECTIVES FOR THE PROJECT

The project's objectives, then, were as follows:

To develop and provide information and data that describe the rural population in need; i.e., the population that would be the direct, first-hand beneficiaries of new federal or federal/state policies for income maintenance, job support, and related services.

To develop and provide information about current cash, in-kind, and employment programs in rural areas in ways that will help indicate their value and effectiveness relative to the same programs in urban areas, and to national goals and averages.

To analyze proposals pending in Congress to determine their potential effectiveness in rural areas, and to provide the results of that analysis to policy-makers and rural-interest groups in order to aid in the formulation of decisions and policies.

To develop goals and criteria that will be useful for continuous evaluation of the implications that proposed cash assistance and jobs programs have for the people and economies of rural areas, and to make judgments based on those goals and criteria.

To develop and present alternative sets of recommendations for improving or replacing existing programs of cash and in-kind assistance and job programs in rural areas, with consideration towards the interrelationship and interdependency of rural and urban people.

To set out an agenda for continuing programs of research, evaluation, and demonstrations that seem necessary or suitable to a continuous process of adjusting programs to create greater adequacy, equity and efficiency.

To assemble a bibliography of data, research, and demonstration programs that will be useful to policy-makers and others having concerns about the implications of public policy with regard to alleviating poverty in rural areas.

METHODOLOGY

DEFINITION OF RURAL

Decision as to a standard definition of "rural" was essential to the analysis of public assistance programs in rural areas. A multitude of definitions and concepts attempt to specify the meaning of "rural." (For list see Appendix B.) It was clear that confusion about definitions would create difficulties in collecting data. For purposes of the project, therefore, we decided to count as "rural" the people who live in the areas designated by the Bureau of the Census and Office of Management and Budget as "nonmetropolitan"*. Thus, for this study, nonmetropolitan areas are counties lying outside Standard Metropolitan Statistical Areas (SMSA's).

Metropolitan areas include territories that lie within SMSA's and have an urban nucleus of 50,000 or more, as well as the county or counties containing the nucleus, and contiguous counties that meet certain metropolitan characteristics and commuter working patterns. Some of that territory has areas and communities that are defined by population density as rural. (See Map 2.)

Using that definition which equates "rural" with "nonmetropolitan", we ranked all states from the most to the least in terms of numbers and percentages of nonmetropolitan population. (See Table III-4.) States with the largest nonmetropolitan populations numerically are not always the same as those with the largest percentages of nonmetropolitan population. Nevertheless, that table provides the basis for making contrasts in public assistance benefits and practices among states classified as largely nonmetroplitan or largely metropolitan.

Most statistics regarding federal allocations of program funds are gathered according to distribution within SMSA's (metropolitan areas) and non-SMSA's (nonmetropolitan areas). Equating rural with nonmetropolitan, therefore, facilitated the task of gathering some of the data, especially that needed for comparative purposes.

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*The usual definition of rural used by the Bureau of the Census is too narrow. In general terms, it defines rural as the population that resides in the open country, plus small towns of less than 2,500 population. That leaves a tremendous gap between the smallest communities and big urban centers, a gap that includes many people whose life-style is not tied primarily to a large center of concentrated population.

Estimations of the size of the nonmetropolitan population vary from about 26 percent to about 38 percent of the total U.S. population, depending upon which definition of rural is used. For this study the estimation for nonmetropolitan population is the one reported by the Bureau of the Census in "Characteristics of The Population Below the Poverty Level: 1975": 68,206,000, or 32.34 percent of the United States population.

It is important to keep in mind that the terms "rural" and "nonmetropolitan" and "urban" and "metropolitan" will be used interchangeably throughout this paper.

SELECTION OF GEOGRAPHIC AREAS FOR GATHERING DATA

To develop information about the relative merits of public assistance programs in nonmetropolitan areas, it was necessary to gather information for measuring practices and programs in nonmetropolitan states against national averages; to contrast practices in nonmetropolitan and metropolitan states, and to compare nonmetropolitan (rural) counties with metropolitan (urban) counties within states.

Data were collected from all states to compare benefit levels and participation for these public assistance programs: Aid to Families with Dependent Children (AFDC), the Unemployed-Fathers component of AFDC (AFDC-UF), Supplementary Security Income (SSI), Food Stamps (FS), and General Assistance (GA). That information supplied the basic data for comparing the relative effectiveness of those programs in largely nonmetropolitan and metropolitan states and, thus, in the major regions of the nation.

The data provided valuable inter-state insights. It was important also to develop information about differences between rural and urban areas within states. Local, often county, welfare offices are the prime deliverers of public assistance and related services, and are the source of much of the current data about public assistance recipients. It was decided, therefore, to compare public assistance programs in rural and urban counties within states. A system had to be established, therefore, for selecting a manageable number of counties for purposes of illustrating inter-state and inter-regional differences between nonmetropolitan and metropolitan areas. The description of the methodology for that study of rural and urban counties which follows is important to understanding the findings in Chapter IV-B.

COUNTIES SELECTED FOR INTRA-STATE ILLUSTRATIVE SAMPLE

In determining how many counties to select, consideration was given to the appropriateness of choosing them from each state, the ten official Federal Regions, or the Federal Census Regions. To survey a rural and urban county in each state was too cumbersome, and to examine a rural and an urban county in each of the federal regional areas would have provided insufficient information. However, the 26 subregions that were delineated in 1975 by Calvin L. Beale (Supervisory Statistician, Economics, Statistics, and Cooperative Service, U.S. Department of Agriculture) and Glenn V. Fuguitt (Department of Rural Sociology and the Center for Demography and Ecology at the University of Wisconsin-Madison) seemed suitable for inter-state comparisons.

Those 26 subregions were delineated by "grouping together State Economic Areas reasonably similar in economy, history, physical setting, settlement patterns and culture."1/ Each subregion is composed of a number of counties and reflects an area's physical resources and economic activity, as well as the socio-cultural patterns which have emerged. Further, although the 26 subregions do not coincide with traditional administrative boundaries on a state or regional level, they have the advantage of having been the focus of several studies of nonmetropolitan areas. Choosing the Beale-Fuguitt subregions provided a base of counties that exhibited many common economic and social characteristics. Also, it limited the choice to a number that seemed manageable -- a total of 52 counties, 1 rural and 1 urban county per subregion.

For a description of each of the 26 subregions and the names of rural and urban counties selected, see Exhibit 1, "Subregions Delineated by Beale and Fuguitt." Map 1 shows the geographic area encompassed within each subregion. It should be noted that three subregions are represented by rural and urban counties from two states, rather than representation of both counties within one state. That allowed comparisons between states that lie within the same subregion where other similarities exist. By using 2 states in those instances, we have made more apparent the impact of state decisions.

Several criteria were used for selecting the 26 rural and 26 urban counties:

Population size and relationship to metropolitan areas. The goal involved selection of counties that would reflect a variety of rural areas and communities, a sampling that includes:

- counties which lie in metropolitan fringe areas or which have an "urban" flavor because the majority of their people live in towns of 25,000 to 50,000;

- counties removed from metropolitan areas that have populations of between 2,500 and 25,000 -- farm, nonfarm and small town populations;

- counties that are totally rural -- with no communities of more than 2,500, and largely comprising farms and open countryside or very small communities.

Degree of poverty. Conditions of poverty vary widely in the nation as a whole and among rural areas. It was important that the counties selected be representative of poverty as a national phenomenon, and not be only the counties having the highest incidence of poverty, or the counties where the causes of poverty seem to be the same. (Every county selected, however, has a significant degree of poverty.)

Social, ethnic and racial characteristics. It was important to include counties having large numbers of each minority group, while at the same time including counties having a population that reflects the national majority.

Geographic and regional variety. Since economic and other conditions important to this study vary from region to region, it was necessary to select a county from each major section of the country. The problems of rural poverty in the Southwest are not necessarily those of the Southern Delta; nor are those of New England the same as those of the far West.

Political considerations. All other criteria having been met, it seemed useful to select counties having some relevance to the politics of welfare reform. (For each county, the representation on key committees that handle reform legislation in the U.S. Senate or House of Representatives is noted.)

By selecting counties in a variety of states and geographic areas over the nation, the project was assured a diverse range of state standards of need, payments and practices with regard to public assistance. That diversity was intended as a guide in measuring the need for change and the potential results of change.

DATA COLLECTED ON EACH COUNTY*

For each of the 52 counties three types of data were collected:

General demographic characteristics relating to population and population change, racial composition, and income and poverty indicators.

Information about public assistance programs (AFDC, AFDC-UF, SSI, GA, and FS).

Federal outlays for income transfers (means-tested and non-means-tested), Medicare, Medicaid, and social services.

Programmatic differences and similarities between urban and rural counties, both within a region and as a group nationally, were then compared for participation relative to the incidence of poverty, average grant amounts, and the extent to which optional programs or benefits were extended to the poverty population. Every attempt was made to include the most recent statistics and information available. (Data on poverty and racial composition at the county level have not been collected nationwide since the 1970 census, however. It was necessary, therefore, to use that 1969 data for examination in Chapter IV-B of participation in public assistance programs relative to levels of poverty in counties.)

In the absence of any formalized data that focuses on the differences between rural and urban practices within states, selection of the 52 counties served to illustrate present discrepancies in programs within states. It should be stressed that the data on the 52 counties cannot be generalized to be representative of rural and urban practices for the United States as a whole. The data, however, supported the findings in comparisons among states to a remarkable degree, and provided suggestive and informative benchmarks about the extent of differences between rural and urban areas within states and regions.

*The data sheets are not included in this report, but are on file at the National Rural Center.

Map 1 BEALE-FUGUITT SUBREGIONS OF THE UNITED STATES FOR ANALYSIS OF NONMETROPOLITAN POPULATION CHANGE

1. *Northern New England - St. Lawrence*
2. *Northeastern Metropolitan Belt*
3. *Mohawk Valley and New York-Pennsylvania Border*
4. *Northern Appalachian Coal Fields*
5. *Lower Great Lakes Industrial*
6. *Upper Great Lakes*
7. *Dairy Belt*
8. *Central Corn Belt*
9. *Southern Corn Belt*
10. *Southern Interior Uplands*
11. *Southern Appalachian Coal Fields*
12. *Blue Ridge Great Smokies and Great Valley*
13. *Southern Piedmont*
14. *Coastal Plain Tobacco and Peanut Belt*
15. *Old Coastal Plain Cotton Belt*
16. *Mississippi Delta*
17. *Gulf of Mexico and South Atlantic Coast*
18. *Florida Peninsula*
19. *East Texas and Adjoining Coastal Plain*
20. *Ozark-Ouachita Uplands*
21. *Rio Grande*
22. *Southern Great Plains*
23. *Northern Great Plains*
24. *Rocky Mountains, Mormon Valleys and Columbia Basin*
25. *North Pacific Coast (including Alaska)*
26. *The Southwest (including Hawaii)*

Source: Beale, Calvin & Fugitt, Glenn. "The New Pattern of Nonmetropolitan Change". Working Paper 75-22. Center for Demography and Ecology. University of Wisconsin-Madison. Madison, Wisconsin. July 1975, p. 27.

NOTE: The Subregions do not coincide with state boundaries or with those of other governmental administrative units.

Exhibit 1. SUBREGIONS DELINEATED BY BEALE AND FUGITT

(The descriptions are quotations from a kit provided by the Economic Research Service - U. S. Dept. of Agriculture)

SUBREGION 1. Northern New England - St. Lawrence Region
[VT, portions: ME, NH, NY]

All of New England and New York lying north of the metropolitan belts of Southern New England and the Mohawk Valley. The area is short of incorporated places, but cannot be placed with either of the two areas adjoining it without creating a problem.

Representative Counties*: Essex County, Vermont - Rural
Chittenden County, Vermont - Urban

SUBREGION 2. Northeastern Metropolitan Belt
[MA, CT, RI, NJ, DE; Portions: ME, NY, PA, VA]

Consists of the belt of contiguous metropolitan areas stretching along the northeastern coast from Boston to Washington, plus adjacent associated nonmetropolitan areas. Rapid nonmetropolitan growth.

Representative Counties: Somerset County, Maryland - Rural
Prince Georges County, Maryland - Urban

SUBREGION 3. Mohawk Valley and New York-Pennsylvania Border
[Portions: NY, PA]

The eastern segment of the manufacturing and metropolitan belt that extends from Albany to Milwaukee. This segment is confined to New York and Pennsylvania because of the radically different frequency and size of annexations in New York and Pennsylvania as compared with neighboring Ohio.

Representative Counties: Otsego County, New York - Rural
Albany County, New York - Urban

SUBREGION 4. Northern Appalachian Coal Fields
[Portions: PA, MD, WV, OH)

Consists of the coal producing areas of Pennsylvania (including anthracite), Ohio, Maryland, and northern West Virginia. Stationary nonmetropolitan population.

Representative Counties**: Vinton County, Ohio - Rural
Luzerne County, Pennsylvania - Urban

SUBREGION 5. Lower Great Lakes Industrial
[Portions: MI, OH, IN, IL, WI]

The major industrial belt of the Midwest from Cleveland to Milwaukee. Contains large interstitial nonmetropolitan population with steady growth.

Representative Counties: Pulaski County, Indiana - Rural
St. Joseph County, Indiana - Urban

*See last page of Chapter II for comment about subregion 1.
**See last page of Chapter II for explanations on subregions 4,6 and 19.

(SUBREGIONS Cont'd.)

SUBREGION 6. Upper Great Lakes
[Portions: WI, MN, MI]

Thinly settled north woods areas, basically dependent on mining, timber and recreation. Area is low on population, but has sufficient incorporated places for analysis.

Representative Counties: Sawyer County, Wisconsin - Rural
Marquette County, Michigan - Urban

SUBREGION 7. Dairy Belt
[Portions: MN, WI]

Those areas of Minnesota and Wisconsin north of the Corn Belt and primarily dependent on dairying.

Representative Counties: Todd County, Minnesota - Rural
Ramsey County, Minnesota - Urban

SUBREGION 8. Central Corn Belt
[Portions: MN, WI, IN, IL, IA, NE, SD]

The heart of the Corn Belt, from western Indiana to eastern Nebraska. Essentially stationary nonmetropolitan population.

Representative Counties: Cedar County, Nebraska - Rural
Lancaster County, Nebraska - Urban

SUBREGION 9. Southern Corn Belt
[Portions: IN, IL, IA, MO, KS]

Corn Belt areas of marginal productivity and historically high outmigration. Many natural decrease areas.

Representative Counties: Hamilton County, Illinois - Rural
Madison County, Illinois - Urban

SUBREGION 10. Southern Interior Uplands
[Portions: AL, MI, TN, KY, IL, IN, OH]

Consists primarily of the territory lying west of the Southern Appalachian Coal Fields and between the Ohio and Tennessee Rivers. An area of considerable former economic distress that has experienced a population turnaround, based largely on manufacturing. Basically white in population and non-cotton in agriculture.

Representative Counties: Stewart County, Tennessee - Rural
Davidson County, Tennessee - Urban

SUBREGION 11. Southern Appalachian Coal Fields
[Portions: TN, KY, WV]

The classic heart and locus of Southern Appalachian poverty and mining dependence. Almost all dissected plateau country. Heavy outmigration.

Representative Counties: Breathitt County, Kentucky - Rural
Boyd County, Kentucky - Urban

SUBREGIONS (Cont'd.)

SUBREGION 12. Blue Ridge, Great Smokies, and Great Valley
[Portions: GA, NC, TN, KY, VA, WV]

The mountain and valley part of the Southern Appalachians. Agriculture, recreation, and manufacturing. No mining.

Representative Counties: Bath County, Virginia - Rural
Roanoke County, Virginia - Urban

SUBREGION 13. Southern Piedmont
[Portions: GA, AL, SC, NC, VA]

The major manufacturing belt of the South, especially heavy in textiles. Consistent nonmetropolitan growth over wide areas for many years.

Representative Counties: McCormick County, South Carolina - Rural
Greenville County, South Carolina - Urban

SUBREGION 14. Coastal Plain Tobacco and Peanut Belt
[Portions: VA, NC, SC]

That portion of the Southern Coastal Plain lying north of the areas where cotton predominated. Sizeable rural black population and minimal nonmetropolitan population growth.

Representative Counties: Bertie County, North Carolina - Rural
Wake County, North Carolina - Urban

SUBREGION 15. Old Coastal Plain Cotton Belt
[Portions: SC, GA, FL, AL, MS]

Comprised of those areas of the Coastal Plain east of the Mississippi River that are or once were dominated by cotton farming. Large rural black population and outmigration.

Representative Counties: Calhoun County, Georgia - Rural
Richmond County, Georgia - Urban

SUBREGION 16. Mississippi Delta
[Portions: MS, LA, AR, MO]

The classic plantation cotton areas of the alluvial lands of the Mississippi Valley. Very large black population, with nonmetropolitan population in decline.

Representative Counties: Tensas Parish, Louisiana - Rural
Caddo Parish, Louisiana - Urban

SUBREGION 17. Gulf of Mexico and South Atlantic Coast
[Portions: GA, SC, FL, AL, MS, LA, TX]

The coastal fringe of the South, from Charleston to beyond Houston, exclusive of the Florida Peninsula. Oriented towards ports, timber, recreation, and oil. Substantial nonmetropolitan population growth.

Representative Counties: Calhoun County, Florida - Rural
Duval County, Florida - Urban

(SUBREGIONS Cont'd.)

SUBREGION 18. Florida Peninsula
[Most of FL]

The semi-tropical part of Florida, dominated by resorts, retirement and semi-tropical agriculture. Has the most rapid nonmetropolitan population growth rate of all of the subregions. Short on incorporated places, but should be tabulated separately because of its unique character.

Representative Counties: Sumter County, Florida - Rural
Orange County, Florida - Urban

SUBREGION 19. East Texas and Adjoining Coastal Plain
[Portions: TX, AR, OK, LA]

That part of the Coastal Plain lying west of the Mississippi Delta and east of the Great Plains that was once dominated by cotton farming, but where cotton has now largely been abandoned. Old South in character.

Representative Counties: Johnston County, Oklahoma - Rural
McClennan County, Texas - Urban

SUBREGION 20. Ozark - Ouachita Uplands
[Portions: OK, AR, MO]

The Trans-Mississippi version of Appalachia. Embraces the largest and most spectacular area of rural turnaround in the entire country.

Representative Counties: Fulton County, Arkansas - Rural
Pulaski County, Arkansas - Urban

SUBREGION 21. Rio Grande
[NM; Portions: TX, CO]

Embraces south and southwest Texas, New Mexico, and the headwaters of the Rio Grande in Colorado. All districts characterized by large proportion of Mexican Americans. Sparsely settled population with large outmigration, and comparatively low frequency of town incorporation.

Representative Counties: Dimmit County, Texas - Rural
Bexar County, Texas - Urban

SUBREGION 22. Southern Great Plains
[Most of KS: Portions: TX, OK, CO]

Roughly that part of the Plains south of the Platte. Sparse and declining nonmetropolitan population on the average. Considerable agricultural dependence, and declining oil employment.

Representative Counties: Crowley County, Colorado - Rural
Arapahoe County, Colorado - Urban

SUBREGION 23. Northern Great Plains
[ND; Portions: SD, NE, KS, CO, WY, MT]

That part of the Plains from the Platte Valley north to Canada. Heavily dependent on wheat and cattle. Very sparsely settled with most counties declining. Large number of very small towns.

Representative Counties: Corson County, South Dakota - Rural
Pennington County, South Dakota - Urban

(SUBREGIONS Cont'd.)

SUBREGION 24. Rocky Mountains, Mormon Valleys, and Columbia Basin
[UT, ID; Portions: WA, OR, MT, WY, CO]

That part of the Plains from the Platte Valley north to Canada. Heavily dependent on wheat and cattle. Very sparsely settled with most counties declining. Large number of very small towns.

SUBREGION 25. Northern Pacific and Alaska
[Portions: WA, OR, CA]

Cascade Mountains and north of the San Francisco Bay area, plus the entire State of Alaska. Characterized by substantial nonmetropolitan population increase.

Representative Counties: Hood River County, Oregon - Rural
Washington County, Oregon - Urban

SUBREGION 26. The Southwest and Hawaii
[NV, AZ; Most of CA]

Includes all of Arizona, Nevada, and Hawaii, and most of California. Has both the well settled California Valleys and the very sparsely settled interior of the Great Basin. But the entire area is characterized by a low degree of town incorporation, making it impossible to delineate a separate Basin area with an adequate number of units to analyze, and making it advisable to separate the Arizona-Nevada Basin areas from the highly incorporated pattern of Utah or Idaho. Has rapid growth of nonmetropolitan population.

Representative Counties: Apache County, Arizona - Rural
Pima County, Arizona - Urban

Although Vermont is an entirely rural state in that it has no SMSA, the county of Chittenden, with a population of 109,000, qualifies as the most populous urban center in that state. It would also be considered urban by the NRC's definition. A comparison with the rural county (Essex - population 6,500) seemed preferable to choosing an urban county county outside the state in this instance.

**Subregions 4,6, and 19 are represented by rural and urban counties from two states rather than from one state. This allows comparisons between states that lie within the same subregions where other similarities exist. By using two states in those instances, we have made more apparent the impact of state decisions. In subregion 4, the rural county was selected from Ohio and the urban county from Pennsylvania since the portion of Ohio included within the subregion lacks an urban county for comparison. This is also true for subregions 6 and 19, where there was no suitable urban center in the same state in which the rural county had been selected. The urban centers in both instances therefore, were chosen from another state within the same subregion.

CHAPTER III

THE RURAL SETTING:

POVERTY IN THE MIDST OF VAST WEALTH IN HUMAN RESOURCES

The great richness and variety in human and natural resources that characterize many rural parts of this nation are in sharp contrast to the poverty that haunts many of the people who live there.

Some insight into those contrasts and the character of the rural setting is important to an understanding of policies for income support that are needed for the people in rural areas. This section of the report, therefore, establishes the context by presenting brief comments about the meaning of "rural," the location of rural residents, the dynamics of change underway in many rural counties and sections of the nation, and some of the general conditions that create special handicaps for many thousands of people in rural areas.

WHAT IS MEANT BY RURAL AND WHERE ARE THE RURAL PEOPLE?

Perceptions about the location and meaning of "rural" are as varied as the official government definitions*. Most people equate "rural" with "agricultural", which is natural because of the tremendous amount of food and fiber produced in rural areas - for both domestic use and export. While a large percent of rural land is in agricultural production and in use as range land, only 9 to 10 percent of the rural population lives on farms**, and 75 percent of the farm labor working force lives in nonfarm places -- villages, towns and cities.1/

The difficulty with pinpointing a concept of rural America is aptly described by Dr. Jonathan Sher:

> "The simple fact is that rural people, rural communities, and rural conditions are so diverse that one can find evidence to support nearly any characterization. Someone wishing to describe bastions of racism, cultural and economic stagnation, reactionary politics, and stifling social environments will not have a difficult time finding rural communities that substantiate this negative analysis. However, another person desirous of portraying rural America as a network of stable, efficient, thriving communities, or as the nation's best example of social egalitarianism, economic independence, cultural continuity, participatory democracy, and institutional accountability will have equal ease in justifying this favorable characterization.
>
> "The point is that rural America is far too heterogeneous and complex to be amenable to simplistic definitions or comfortable stereotypes. Remembering that fishing villages in Maine, coal company towns in Appalachia, farm communities in Iowa, Delta counties in Mississippi, recreation communities in Colorado, Indian reservations in South Dakota, small college towns in Minnesota, migrant settlements in Texas, retirement communities in Florida and Alaskan native villages are all 'rural' leaves one feeling less than sanguine about sweeping generalizations."2/

However, one may describe the residents of rural areas or generalize about them, they are a tremendous and very diverse national asset. The contributions they have made and continue to make every day are immeasureable, as are those

*For official definitions of rural and nonmetropolitan, see Appendix B.

**In 1970, the metropolitan farm population was about one-fifth of the nation's total farm population. Assuming a stable ratio through 1975, the nonmetropolitan farm population was 9.68 percent of the nonmetropolitan population (6,603,000 nonmetropolitan persons on farms out of a total nonmetropolitan population of 68,206,000).

they can make in the future. As Department of Agriculture Secretary Bergland said of the people in the rural areas:

> "....Rural America is the nation's untapped reservoir of unused human resources, with the kind of strength, spirit, initiative, energy, and potential leadership this country sorely needs."3/

In addition to the riches in human resources, most of the nation's vast wealth in land, (87 to 95 percent), water, minerals, energy-producing resources (e.g., coal and uranium), timber, building stone (e.g., marble and granite), wildernesses, and national parks is located in rural areas. As with agriculture, tremendous wealth has been generated by development of those natural resources. And it is important to be aware of that wealth in rural areas when seeking ways to improve the conditions of people having the lowest incomes, and of others who are poor in relation to average national standards.

Some of that wealth, however, has been produced by conglomerates and individuals who frequently have little interest in the quality of life in the rural countryside, villages and towns. Development of those resources in ways that directly benefit the people who live there will provide the most effective means of generating incomes to lift many of the rural poor out of poverty.

Of the approximately 210.8 million people in the nation (1976), an estimated 57 million to 68 million (depending upon the definition)* live in the nonmetropolitan areas.

The table below shows the metropolitan and nonmetropolitan population for the nation as a whole. Map 2 shows the location of the more than 2,580 counties that lie outside SMSA's. Table III-4 ranks the states in order of nonmetropolitan population, by numbers of people and percent of the state's population which is nonmetropolitan. From those rankings it can be seen that states with a high percentage of residents in nonmetropolitan areas may have a relatively lower rank-order in actual numbers of people in those areas. Figure 2 illustrates that point.

Table III-1 U.S. POPULATION: METROPOLITAN AND NONMETROPOLITAN - 1976

Total Population	Number	Percent
U.S.	210,864,000	100.0%
Metropolitan	142,658,000	67.65%
Nonmetropolitan	68,206,000	32.34%

THE DYNAMICS OF CHANGE

The potential for creating wealth and goods of value in rural areas is now coupled with new dynamics: the migration of people to nonmetropolitan areas. The growth in some parts of rural America has important implications for changes in policy and practice with regard to income and job-support programs for poor people. The phenomenon of migration to nonmetropolitan areas is currently under intensive study, and to provide a summary of that picture, we quote from Calvin Beale's recent testimony to the Joint Economic Committee of Congress.4/

*Chapter II provides a brief discussion of what is rural for the purposes of population counts, and Appendix B supplies exact definitions and examples of some of the technical definitions of rural used in allotting funds for some federal programs. This report uses the 68 million figure as the rural population count--the one provided by the Bureau of the Census (1976) as noted in Table III-1.

"In the 1970's, the nonmetropolitan or rural and small town areas of the United States have been characterized by a widespread and substantial growth of population that was completely unpredicted in public discussion or in the literature of any of the social sciences ten yars ago.... Yet the desire for insights into the future is logical and the demand unflagging no matter how limited the performance. So I will say what I can about rural growth and its implications.

"If for convenience one defines rural areas as the nonmetropolitan counties of the Nation, we can say that the rate of population growth in these counties has exceeded that of nonmetropolitan areas since 1970, something never before witnessed. It has done so because 2¼ million more people moved into such communities from 1970-76 than moved away, whereas in the 1960's, the net flow of people was out of the rural areas to the amount of 3 million. The rural outflow had been lessening in the 1960's, but there was no hint of a national turnaround of the magnitude we have witnessed.

"I should like to offer a list of generalizations about the renewal of rural and small town growth that I believe are important to understanding it and to thinking about its impact:

1. The trend is very widespread, affecting every region of the country although not every county*.

2. It is found in remote and completely rural areas as well as in those that are partly urbanized and incipiently metropolitan.

3. The degree of turnaround is greater in the open country and unincorporated areas than it is in the small towns.

4. It is brought about by the movement of urban natives into rural areas, by the return of people of rural origin who once lived in the cities and suburbs, and by greater retention of rural people who under former conditions might have decided to leave. All three of these elements are involved.

5. The migrants on the whole are somewhat younger, better educated, higher in income and industrial status and more likely to be white than are the average residents of the areas into which they are moving.

6. People are not being displaced from farming and other rural extractive industries as they used to be. Today the loss of people from agriculture is just a fraction of what it was in the 1960's* (despite the current farm crisis) and mining employment has revived.

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*In 1940 there were about 30.5 million people living on farms; by April 1976, there were only 8,253,000 — an overall decline from slightly more than 20 percent of the United States population to 3.9 percent. The loss during the 1940's was 7.5 million (a 25 percent rate); during the 1950's the loss was about the same in absolute numbers, but the percent was greater (32 percent) because the farm population base was smaller; during the 1960's, the loss was 5.9 million (38 percent). (Sources: United States Department of Agriculture, Rural Development Service. "Farm Population Estimates 1910-1970." Statistical Bulletin No. 523. Washington, D.C. July 1973, pp. 1-2 and United States Bureau of the Census. "Farm Population of the United States: 1976." Farm Population. Series Census - ERS. p. 27. No. 49. Dec. 1977.)

7. The growth rate of nonagricultural wage and salary jobs in nonmetropolitan areas has been twice as high as that in metropolitan areas since 1970 and is both a cause and effect of the population turnaround.

8. Despite the growth of jobs, there is no doubt that nonpecuniary motivations are paramount for most of the movers. That is the principal way in which the trend differs from the rural-to-urban trend that preceded it. Everyone needs a source of income, but a majority of the new migrants consistently report a positive attraction to rural areas or a negative reaction to the large cities as their major motivation. A substantial fraction accept an income cut in the process.

9. Older people are strictly a minority in this migration, but those who move go disproportionately to rural and small town counties. Several hundred counties have become retirement destinations (whatever else they are) and are the most rapidly growing type of nonmetropolitan county.

10. The growth pattern of nonmetropolitan areas today is much like that of small and middle-sized metropolitan areas, which are also having greater population increase despite the low birth rate. The real contrast is between the major population areas and the rest of the country. . . ."

Dr. Edward Moe, a sociologist with the Cooperative Research Service at the Department of Agriculture, pointed out the importance of the change in migration patterns when he said:

> "The 'turn-around' in population growth and job creation in nonmetropolitan rural areas since 1970 and identified by Beale (1974) and others, for example, seems to usher in a new era. Some old issues persist and new ones are emerging. Stabilization and/or new growth will likely create a more favorable climate for improving economic opportunities and social services. Less effort will have to be expended to overcome the discouragement of continuing decline. The time is opportune and a basis has been built for a significant new response."5/

The changes in migration patterns and other developments have added new dynamics to the interaction between rural and urban people. For example, rural people who went to the cities from the coal-mining Appalachian regions of Kentucky in the 1950's and 1960's are returning to the mines. They return to their rural communities with new ideas regarding improved standards of housing, health care and social services, which they often took advantage of in urban centers. Increasingly, people from the countryside work in urban places and urban people go to work in surrounding rural areas where plants and factories have been built over the past decade. Many more city dwellers are retiring to small, rural communities; others are living part of the year in recreation communities that have been carved out of rural areas.

A GENERAL PICTURE OF CONDITIONS RELATED TO POVERTY IN RURAL AREAS

Tables III-2 and III-3 set forth the relative poverty in the metropolitan and nonmetropolitan parts of the country.

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*As Calvin Beale and others have noted, some 500 counties are still losing population. For the most part, they are counties that have large black populations and are heavily agricultural. The people in those counties continue to seek better opportunities in metropolitan areas.

Table III-2 POPULATION (1976) AND POOR POPULATION (1975) UNITED STATES, METROPOLITAN AND NONMETROPOLITAN

Total Population	Number	Percent
U.S.	210,864,000	100.%
Metropolitan	142,658,000	67.65%
Nonmetropolitan	68,206,000	32.34%
Poor Population		
U.S.	25,877,000	12.3%
Metropolitan	15,348,000	59.31%
Nonmetropolitan	10,529,000	40.68%

Table III-3 POOR PERSONS/U.S. - METROPOLITAN AND NONMETROPOLITAN

	1959	1967	1975
Total Poor Persons/U.S.			
Number	38,766,000	27,769,000	25,877,000
Percent of total U.S. population that is poor	22%	14.2%	12.3%
Poor Persons/Metropolitan			
Number	17,019,000	13,832,000	15,348,000
Percent of total metro population that is poor	15.3%	10.9%	10.8%
Poor Persons/Nonmetropolitan			
Number	21,747,000	13,936,000	10,529,000
Percent of total nonmetro	33.2%	20.2%	15.4%

Table III-2 shows that although about 32 percent of the nation's population reside in rural areas, slightly more than 40 percent of the poor live there. Table III-3 compares rural and urban poverty in another way, showing that about 15 percent of the people who live in nonmetropolitan areas are poor; whereas, about 10 percent of those who live in metropolitan areas are poor.

The categorization of 10.5 million people in rural areas as poor (out of a national total of 25.8 million) is based only on measurements of income. In many rural areas, poverty of income is accompanied by a poverty of opportunity and a comparative lack of services. That combination creates a severe handicap for rural people, one that makes it even more necessary to enact realistic national programs of income support. The following brief comments about poverty-related conditions in nonmetropolitan areas illustrate this poverty of opportunity and lack of services.

Median Income for Families. "In 1975, the median income of families in metropolitan areas ($14,910) was about 29 percent higher than the median received in nonmetropolitan areas ($11,600), and about 37 percent higher than the median income for farm families ($10,850)."6/

However, between 1970 and 1977, "the absolute dollar gap between metropolitan and nonmetropolitan incomes actually increased ..., going from $2,500 in 1970 to over $3,000 in 1977."7/ Table III-5 provides a state-

by-state illustration of this phenomenon: nonmetropolitan median incomes are, with only two exceptions (Massachusetts and New Jersey) lower than those in metropolitan areas.

Employment. Data presented to the House Subcommittee by USDA's Assistant Secretary for Rural Development, Alex Mercure, indicated that between 1970 and 1977 "nonmetropolitan areas experienced substantially higher rates of employment growth than metropolitan areas in all regions of the country. For the nation as a whole the nonmetropolitan and metropolitan rates of growth were 26.9 percent and 12.0 percent respectively. In the South and West, employment growth was quite high in both metropolitan and nonmetropolitan areas. In the Northeast, metropolitan areas actually lost employment, while nonmetropolitan rate of growth, 19.8 percent, was more than twice that for the SMSA's."8/

Unemployment. However, measurement of unemployment in rural areas is quite difficult and deficient, and Mercure has pointed out that comparisons (by the Bureau of Labor Statistics) with metropolitan areas "indicate that the reliance upon standard unemployment rates overstate the economic health of nonmetropolitan America in relation to metropolitan areas."9/

Further insight into the issue of unemployment, underemployment, and unemployment in rural areas is provided by Luther Tweeten, Regents Professor of Agricultural Economics, Oklahoma State University:

> "Underemployment, which counts unemployment as well as workers not fully utilizing their skills because they are unable to find an adequate job or have dropped out of the labor force, is greater in rural areas than in urban areas. Underemployment represents untapped resources that could increase the nation's output of goods and services while restraining inflation. Very severe 'islands' of rural poverty and underemployment exist--such as the crescent stretching from the Carolina Costal Plain through the black belt of Alabama to the Mississippi Delta..."10/

Statistics regarding employment or unemployment serve as the basis for allocation of some $17 billion in federal funds, and as Luther Tweeten has noted: "The one-third of the nation's residents living in nonmetropolitan areas have not been fairly served by many Federal programs. Reviewing considerable data on the proportion of U.S. Department of Labor employment and training resources devoted to rural areas, Ray Marshall [Secretary of Labor] concluded 'By whatever standard we judge manpower experiences, the evidence seems to support the conclusion that rural areas have been shortchanged in manpower efforts'."11/

Health. Of the approximately 2,600 counties that lie outside SMSA's, 1,888 are "designated in whole or in part as medically underserved, . . . and of the 49 million Americans living in medically underserved areas in October 1977, 27 million (55.1 percent) were nonmetropolitan residents."12/

Medicaid is the primary health-support program for poor people but it serves much less effectively in rural than in urban areas. Medicaid serves primarily the aged, disabled and single-parent families; but, except for the aged and disabled, most rural families are two-parent families and thus ineligible. In addition, average payments in the South, where most rural poor people live, are lower than in other areas of the nation: $210 for AFDC families in Mississippi and $1,570 in New York. The national average at that time was $870 (1974). 13/

Housing. According to the U.S. Bureau of the Census Annual Housing Survey, somewhat less than 2 percent of the metropolitan housing, and somewhat more than 6 percent of the nonmetropolitan housing lacks plumbing--the generally-used measurement of adequacy of housing. Indeed, according to Secretary of

Agriculture Bergland, "rural America has 50 percent of the nation's substandard housing."14/

Education. A 1974 Census Bureau survey "found that over 2 million rural adults - 8 percent of the rural adult population - had less than five years of schooling and thus were considered functionally illiterate. Nationally, 5.3 percent of adults are in this category." In addition, about twice as many rural school-aged children (5.3 percent) are not enrolled in school when compared to metropolitan areas. Per pupil expenditures (1971-1972) in nonmetropolitan areas were $702.72, compared to $857.97 in central cities.15/

Social Security. In response to a question by the House Subcommittee about the proportional distribution of HEW resources between rural and urban populations, the reply by HEW was that "there are no precise figures," and that similarly there are few legislative mandates that require distribution based upon residence. With regard to entitlement programs, however, benefits are provided based upon eligibility no matter where people live -- an important note for guidance in income support programs. Social Security, as an example, is illustrative: about 33 percent of the Social Security beneficiaries live in nonmetropolitan areas and about 30 percent of the benefits go to nonmetropolitan residents -- a slight discrepancy. Average monthly benefits are lower (about 86 percent of the metropolitan payments) due to lower-paying jobs and the larger numbers of self-employed people in nonmetropolitan areas.16/

With regard to Social Security's Medicare program, the principal problem in rural areas stems from the lower rates of reimbursement for physicians in rural areas--generally 60 percent of that in urban areas. Until a recent change in the law, Medicare did not "reimburse rural health centers staffed by nurse practitioners and physician assistants, with part-time physician services from larger, more distant communities." The requirement that a physician be present at the time services were rendered disqualified many rural clinics from eligibility for reimbursement. With the change in that policy, more rural health centers will become eligible. Another difference between rural and urban areas is seen in the Part B supplementary insurance system, for which average payments are "twice as high in metropolitan Central regions. For all regions, hospital payments per enrollee are 40 percent higher in major metropolitan counties than in nonmetropolitan counties, and physician and other medical payments are 60 percent higher."17/

Transportation. Inadequate transportation in rural areas often results in greater inaccessibility to health and educational services, employment opportunities, social services, shopping facilities, and cultural and recreational pursuits. Some 15 percent of rural households are without cars and an additional 52.4 percent own only a single car. The vehicle is generally used by the primary earner to get to and from the workplace, leaving others in the family without transportation. Rural poor people earning less than $3,000 annually (1970 Census) make about 85 percent fewer trips than the average American; have vehicles that are older and presumably energy inefficient -- 20 percent of which are unsafe to drive and 40 percent of which are uninsured. There are few alternatives to the private automobile in rural areas. Taxis are scarce and expensive, and public transportation is practically nonexistent. The lack of desirable transportation alternatives for rural people entrenches the cycle of underemployment and unemployment.18/

Services. "The people of rural America are comparatively voiceless and they also lack the professional social and agency expertise of densely populated areas. The delivery system for available government programs and financial and technical services is inadequate."19/

Government. Residents of nonmetropolitan areas comprise about 30 percent of the nation's people, but have 64 percent of the local governing units (50,033 of the nation's 78,218), which are broken down thus:

85 percent of the county governments (2,587 out of 3,044)

70 percent of the municipalities (12,962)

80 percent of the townships (13,593)

67 percent of the special districts and authorities (i.e., school, fire, water, etc. (16,002)

45 percent of the substate districts (number not reported).20/

The Advisory Commission on Intergovernmental Relations evaluates the effectiveness and efficiency of those units of governments thus:

"Rural governmental institutions are frequently unable to provide the type of public services needed. They were originally designed with less acute problems in an age of greater self-sufficiency. They can adjust only with difficulty to declining populations. Local government expenditures per person in such areas are disproportionately high for what frequently are inadequate levels of service. Furthermore, small local governments are frequently ill-equipped to undertake the planning and development activities necessary to overcome their handicaps."21/

Rural Justice. It has been noted in a special report by the National Rural Center that:

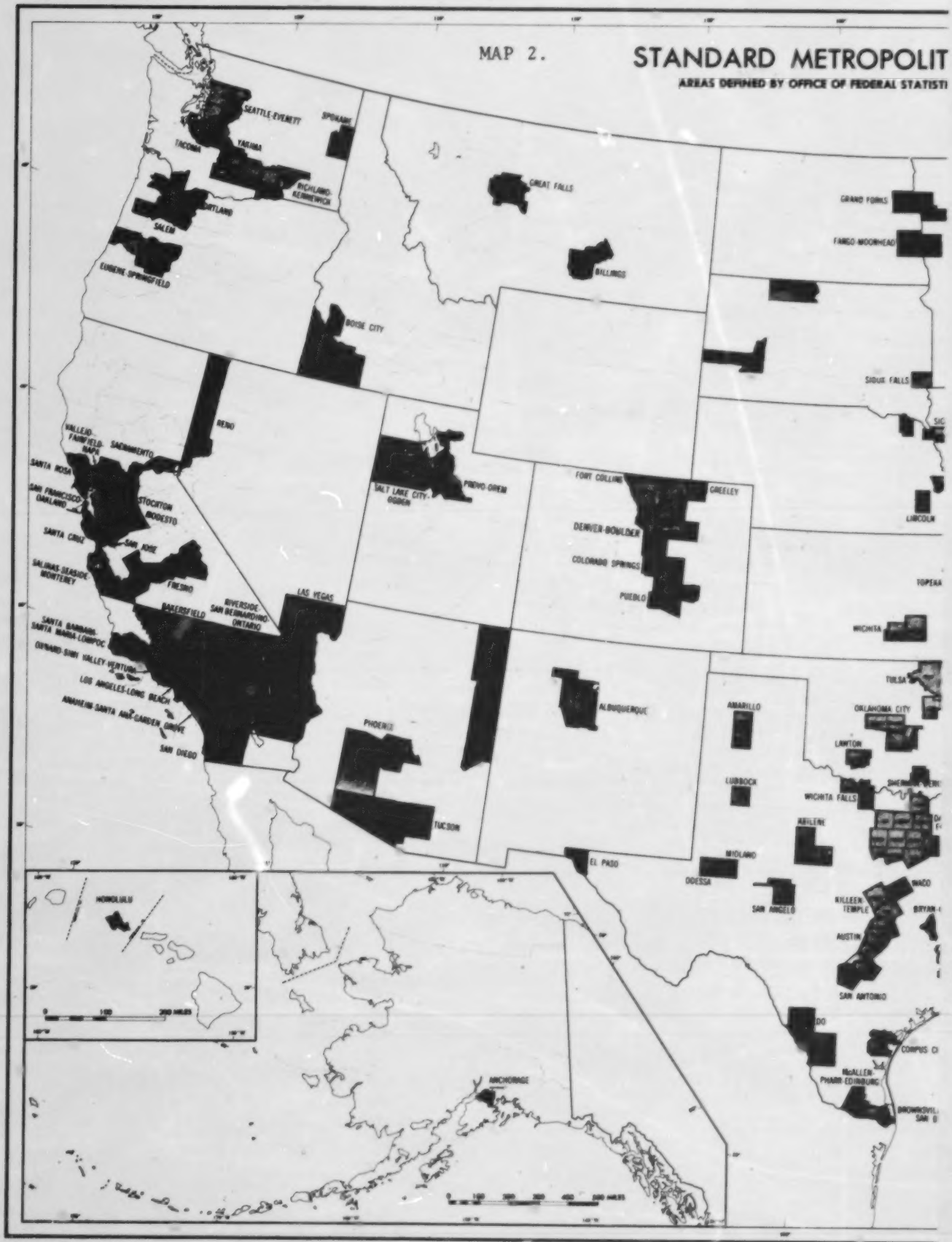
"Like education, transportation, health, and the other major categories of modern human need and effort, the justice system in rural areas is underfunded, understaffed, undersupplied, and under-worried-about by public and private policy-makers and money-dispensers. These systemic deficiencies affect all rural residents: directly when they become involved in the justice system, indirectly in the ways that every citizen is diminished when he cannot be confident in the justice system's capacity to deal adequately with the conflicts presented to it for resolution.

"Because the poor are statistically more likely to become involved in the criminal justice system and because they are generally less likely to be able to settle out of court their civil problems, they are particularly affected by the quality and the capabilities of the formal justice system. The weaknesses in training, resources, and support services characteristic of the rural justice system fall especially heavily on the rural poor."22/

SUMMARY

Despite the vast wealth in land and natural resources, the recent reverse migration to many rural counties, and the many advances made over the past 15 years in new industries, better roads and other amenities, residents of rural areas of the nation still have a higher incidence of poverty than do the people in metropolitan areas. To further compound the income problems that rural poor people have, there is less opportunity than for most people in large cities: poorer schools and less years of education, fewer services and more difficult access to them, lower levels of income and more underemployment, more inadequate housing and sewer systems, and many governments that lack capability to provide services or plan for the present or the future.

UNITED STATES DEPARTMENT OF COMMERCE

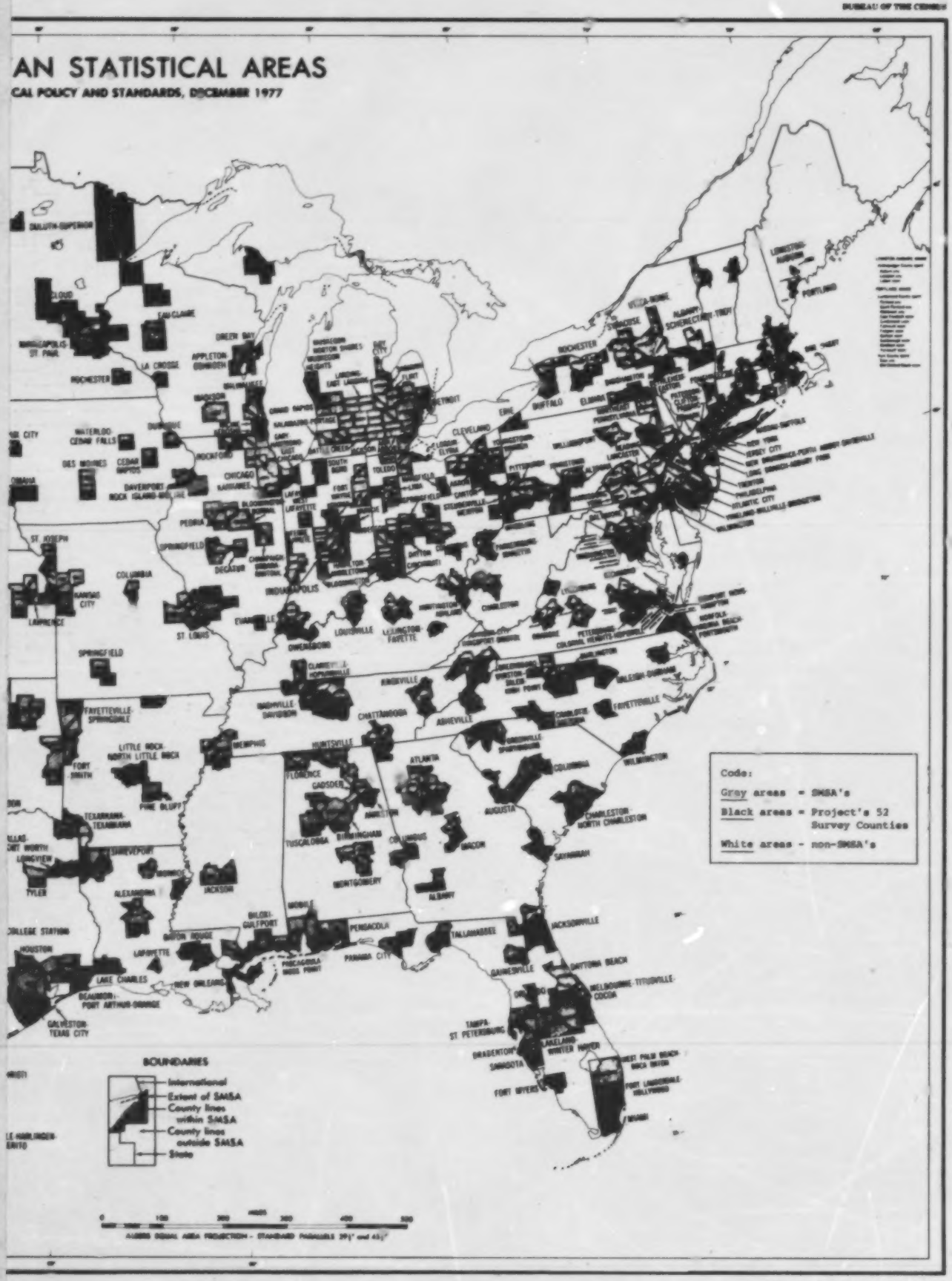


Definitions of standard metropolitan statistical areas from Office of Federal Statistical Policy and Standards, U.S. Department of Commerce, formerly within Office of Management and Budget, Executive Office of the President

Prepared by Geography Division in cooperation with Data Preparation Division, Bureau of the Census, U.S. Department of Commerce

AN STATISTICAL AREAS

CAL POLICY AND STANDARDS, DECEMBER 1977



STANDARD METROPOLITAN STATISTICAL AREAS
DECEMBER 1977

Table III-4 STATES RANKED MOST TO LEAST IN NUMBERS AND PERCENTS OF NONMETROPOLITAN RESIDENTS - 1976

By Number of Residents

Rank	State	Nonmetro Population
1.	North Carolina	2,988,400
2.	*Texas	2,631,000
3.	Pennsylvania	2,315,999
4.	Ohio	2,151,000
5.	Georgia	2,146,200
6.	Illinois	2,099,300
7.	New York	2,078,100
8.	Kentucky	1,867,800
9.	Wisconsin	1,838,700
10.	Iowa	1,797,100
11.	Missouri	1,744,800
12.	Virginia	1,733,700
13.	Mississippi	1,731,400
14.	Indiana	1,705,300
15.	Michigan	1,691,300
16.	California	1,559,500
17.	Tennessee	1,556,200
18.	South Carolina	1,473,100
19.	Minnesota	1,423,400
20.	Louisiana	1,412,100
21.	Alabama	1,398,600
22.	Arkansas	1,299,600
23.	Kansas	1,252,500
24.	Oklahoma	2,238,200
25.	Florida	1,178,500
26.	West Virginia	1,159,800
27.	*Washington	981,000
28.	Oregon	921,100
29.	Nebraska	858,600
30.	New Mexico	780,000
31.	Maine	745,800
32.	Idaho	690,900
33.	Maryland	620,800
34.	South Dakota	585,300
35.	Arizona	573,300
36.	Montana	569,500
37.	New Jersey	565,300
38.	Colorado	500,600
39.	North Dakota	497,700
40.	Vermont	476,000
41.	New Hampshire	410,200
42.	Wyoming	390,000
43.	Utah	260,000
44.	Connecticut	248,200
45.	*Massachusetts	189,000
46.	*Alaska	188,000
47.	Delaware	180,900
48.	Hawaii	168,200
49.	Nevada	117,600
50.	Rhode Island	80,300

By Percent of Residents**

Rank	State	Nonmetro Population
1.	Vermont	100%
	Wyoming	100%
2.	South Dakota	85%
3.	Idaho	83%
4.	North Dakota	77%
5.	Montana	76%
6.	Mississippi	74%
7.	Maine	70%
8.	New Mexico	67%
9.	West Virginia	64%
10.	Iowa	63%
11.	Arkansas	62%
12.	*Alaska	58%
13.	Nebraska	55%
	North Carolina	55%
14.	Kansas	54%
	Kentucky	54%
15.	South Carolina	52%
16.	New Hampshire	50%
17.	Oklahoma	45%
18.	Georgia	43%
19.	Oregon	40%
	Wisconsin	40%
20.	Alabama	38%
21.	Louisiana	37%
	Missouri	37%
	Tennessee	37%
22.	Minnesota	36%
23.	Virginia	34%
24.	Indiana	32%
25.	Delaware	31%
26.	*Washington	27%
27.	Arizona	25%
28.	*Texas	22%
29.	Utah	21%
30.	Ohio	20%
	Pennsylvania	20%
31.	Colorado	19%
	Hawaii	19%
	Illinois	19%
	Michigan	19%
	Nevada	19%
32.	Maryland	15%
33.	Florida	14%
34.	New York	11%
35.	Rhode Island	9%
36.	Connecticut	8%
	New Jersey	8%
37.	California	7%
38.	*Massachusetts	3%

Source for all states except those with an * - Current Population Reports, Series P-26-1976, Provisional Estimates.

*Source - Current Population Reports, Series P-25-1974.

**Percentages are rounded, accounting for identical rankings for several states.

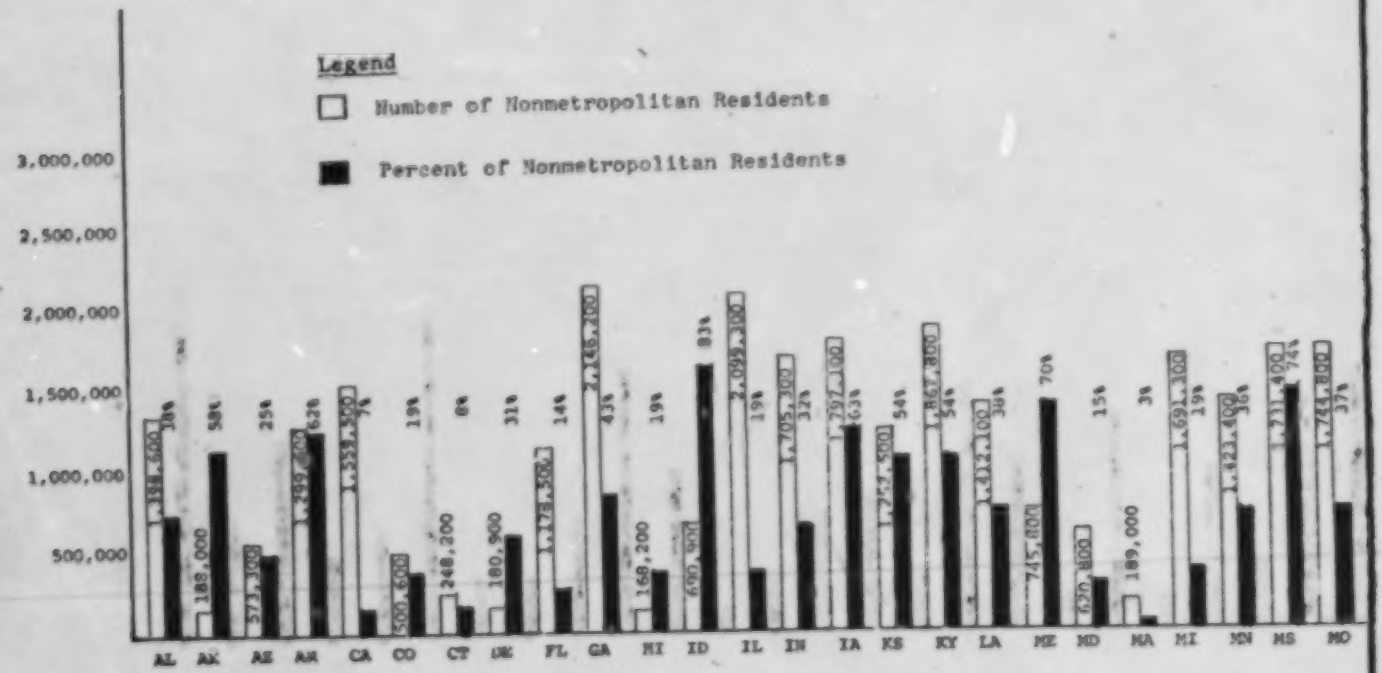
Table III-5 MEDIAN INCOME INSIDE AND OUTSIDE METROPOLITAN AREAS: BY STATE, SPRING, 1976

State	Median Income	Inside Metro	Outside Metro
Alabama	$10,112	$11,427	$ 8,433
Alaska	$21,023	N/A	$21,023
Arizona	$12,005	$12,141	$11,170
Arkansas ...	$ 8,651	$10,065	$ 8,020
California .	$12,778	$12,958	$11,295
Colorado ...	$13,112	$13,474	$12,139
Connecticut.	$14,275	$14,895	$12,139
Delaware ...	$14,160	$14,895	$12,469
Florida	$10,292	$10,624	$ 9,740
Georgia	$10,610	$13,114	$ 8,211
Hawaii	$15,991	$16,468	$14,309
Idaho	$11,491	$12,735	$11,203
Illinois ...	$13,686	$14,170	$11,863
Indiana	$12,707	$13,427	$11,944
Iowa	$12,229	$13,486	$11,420
Kentucky ...	$ 9,673	$11,960	$ 8,204
Kansas	$11,826	$13,341	$10,250
Louisiana ..	$10,429	$11,451	$ 8,351
Maine	$10,454	$11,585	$10,250
Maryland ...	$15,288	$16,008	$11,300
Massachusetts	$13,194	$13,125	$13,463
Michigan ...	$13,595	$14,296	$11,456
Minnesota ..	$12,660	$14,266	$10,776
Mississippi	$ 8,567	$10,270	$ 8,170
Missouri ...	$10,835	$12,516	$ 8,107
Montana	$11,516	$12,735	$11,203
Nebraska ...	$11,994	$13,288	$10,920
Nevada	$13,082	$13,284	$12,303
New Hampshire	$12,510	$13,194	$12,268
New Jersey .	$14,557	$14,319	$15,190
New Mexico .	$10,366	$11,640	$ 9,661
New York ...	$12,759	$12,990	$11,606
North Carolina	$10,316	$12,226	$ 9,853
North Dakota	$11,821	$12,910	$11,606
Ohio	$12,842	$13,305	$11,643
Oklahoma ...	$10,141	$11,750	$ 8,351
Oregon	$11,771	$12,312	$10,881
Pennsylvania	$12,194	$12,517	$10,909
Rhode Island	$12,200	$12,308	$12,254
South Carolina	$10,885	$12,311	$ 9,606
South Dakota	$10,425	$11,781	$10,211
Tennessee ..	$ 9,955	$11,840	$ 8,937
Texas	$10,974	$11,840	$ 8,937
Utah	$12,776	$13,169	$11,393
Vermont	$10,832	N/A	$10,832
Virginia ...	$13,009	$15,126	$ 9,909
Washington .	$12,748	$13,179	$12,149
West Virginia	$10,266	$11,587	$ 9,725
Wisconsin ..	$13,308	$14,631	$11,494
Wyoming	$12,931	N/A	$12,931

Figure 2. NONMETROPOLITAN POPULATION IN STATES: NUMBER AND PERCENT OF NONMETROPOLITAN RESIDENTS

- 12 states are ranked in the top 25 of all states, both by percentages and numbers of population in nonmetropolitan areas
- 19 states have 50 percent or more of their population in nonmetropolitan areas
- 31 states have 50 percent or more of their population in metropolitan areas
- 30 states have 32 percent or more of their population in nonmetropolitan areas.

Among the states ranked in the top 25 as to percentage or number of nonmetropolitan population, only 12 are among the top 25 in both percentage and number of nonmetropolitan population.


Legend
Number of Nonmetropolitan Residents
Percent of Nonmetropolitan Residents
3,000,000
2,500,000
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1,000,000
500,000
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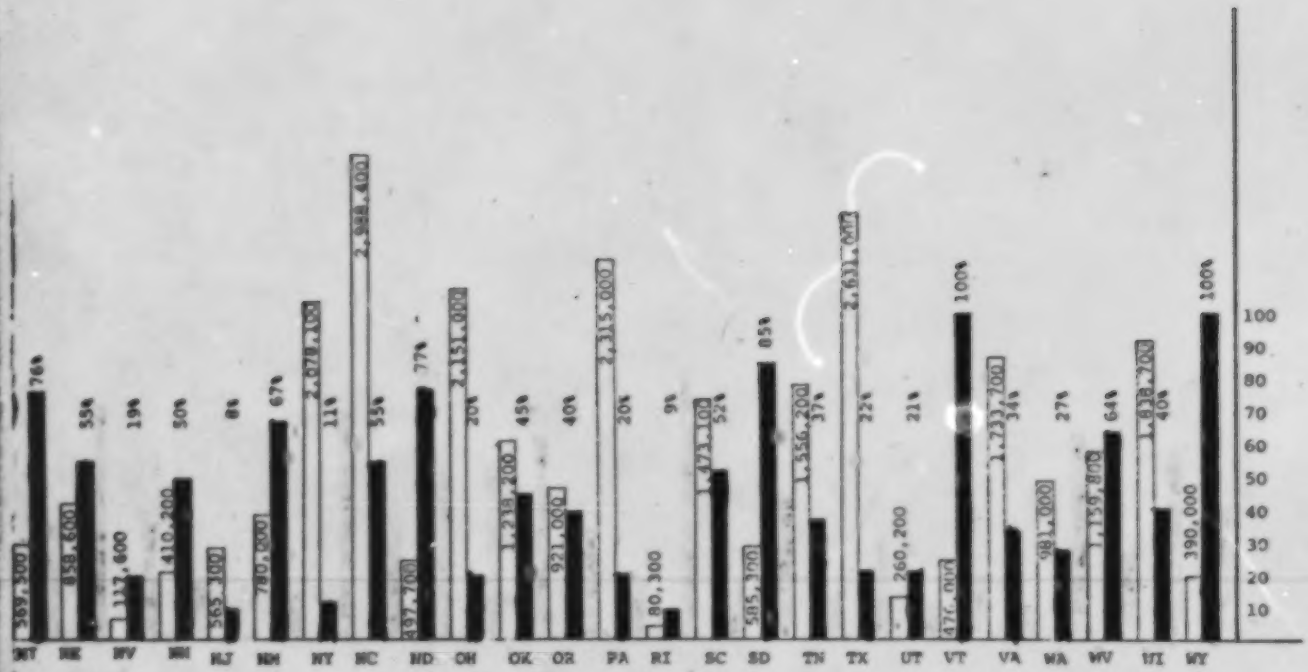
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CHAPTER IV

FINDINGS: PART A

THE RURAL POOR: A STATISTICAL PROFILE

Knowing more about the rural poor* -- who they are, where they live, how much income they have and how they earn or receive it, what the family characteristics are -- is critical to evaluating the effectiveness of current programs of income assistance and job-support and to designing new programs for rural people who are victims of severe poverty.

Poor people everywhere have many problems and characteristics in common; but those who live in nonmetropolitan areas have different patterns of living and opportunities from those of the metropolitan poor. Logically, recognition of the differences between the rural and urban poor should stimulate the creation of flexible policies designed to take those differences into account. The end result of such policies should be programs that are more realistic and effective in reducing rural poverty and alleviating its hardships.

The usual focus of public efforts to reform welfare policy programs, however, has been urban areas and the central city poor. Too often this preoccupation has resulted in failure to take into account the special characteristics of the rural poor. Indeed, few people in policy-making positions seem to know who the rural poor really are in terms of characteristics related to family patterns, race, age, sex, employment and income. There is even little understanding of where the rural poor live, except for a very vague idea that they are in the South and Southwest. More adequate and current data about the poor in rural areas is necessary if federal policies are to be more effective in addressing the problems of rural poverty.

Based on data reported in "Characteristics of the Population Below the Poverty Level: 1975," the statistical profile of the rural poor presented here is selective and specifically designed to be pertinent to this study of the implications for rural people of proposed programs of "welfare reform." The information provides a picture of rural poverty that is treated as current and encompasses (A) Population and Poverty in Metropolitan and Nonmetropolitan Areas; (B) Other Demographic Characteristics; (C) Regional and State Distributions; and (D) Family Composition, Work Achievement, Income and Sources of Income.

*Throughout this report, unless otherwise specified, "poor" refers to those having total annual incomes of less than the official United States poverty line for a given year. For a listing of various poverty levels, over time and for varying family characteristics, as well as a more complete definition, please refer to the Glossary (Appendix A).

Summary of the Findings in the Statistical Profile

- The incidence of poverty is greater in nonmetropolitan than in metropolitan areas.
- In actual numbers, there are more nonmetropolitan whites living in poverty than blacks; but blacks, in all categories, have a 2- to 4-times greater liklihood of being poor.
- Most of the rural poor are in male-headed families, a striking contrast to the composition of urban poor families.
- Nonmetropolitan poor heads of households and families have a higher percent of involvement in the labor force than do their counterparts in metropolitan areas or in the nation as a whole.
- Nonmetropolitan women heading families have an almost 4-times greater chance of being poor than do nonmetropolitan men heading families.
- The greatest incidence of poverty among the aged is in nonmetropolitan areas.
- Black unrelated individuals in all age groups have a higher incidence of poverty, and those who are aged have twice the incidence of poverty of white unrelated individuals.
- Most poor nonmetropolitan individuals not living with relatives are aged women.
- Poor nonmetropolitan black families tend to have more members than poor white families.
- Children under 3 years in nonmetropolitan areas are more likely to be poor than their distribution in the overall population would warrant.
- The farm poor are a relatively small minority of all the rural poor, but they have the highest incidence of poverty of any residential category.
- Most of those in rural poverty live in or near small towns and villages across the nation, not on farms.
- Over 75 percent of the rural poor live in 22 Southern and Midwestern states.
- More rural than urban poor heads of households have not completed high school, and over a third have not completed elementary school.
- Despite the fact that they are poorer, older, more disabled and less educated, rural poor heads of households have higher involvement in the labor force than do their urban counterparts.
- The mean income of nonmetropolitan poor families is less than that for metropolitan poor families despite the higher participation in the labor force -- a good measure of underemployment.
- Only slightly more than one-fifth of all nonmetropolitan poor families receive all or some portion of their income from means-tested income support programs. This compares to about a third in metropolitan areas.

POPULATION AND POVERTY IN METROPOLITAN AND NONMETROPOLITAN AREAS

As a general backdrop to those specific sections, it is worthwhile to review the national figures as to metropolitan, nonmetropolitan, and poverty populations as a whole.

Table IV - 1 U.S. POPULATION: METROPOLITAN AND NONMETROPOLITAN 1976

Total Population	Number	Percent
U.S.	210,864,000	100. %
Metropolitan	142,658,000	67.65%
Nonmetropolitan	68,206,000	32.34%
Poor Population		
U.S.	25,877,000	12.3 %
Metropolitan Share	15,348,000	59.31%
Nonmetropolitan Share	10,529,000	40.68%

Table IV-2 POOR PERSONS U.S. - METROPOLITAN AND NONMETROPOLITAN

	1959	1967	1975
Total Poor Persons/U.S.			
Number	38,766,000	27,769,000	25,877,000
Percent of total U.S. population that is poor	22%	14.2%	12.3%
Poor Persons/Metropolitan			
Number	17,019,000	13,832,000	15,348,000
Percent of total metropolitan population that is poor	15.3%	10.9%	10.8%
Poor Persons/Nonmetropolitan			
Number	21,747,000	13,936,000	10,529,000
Percent of total nonmetropolitan population that is poor	33.2%	20.2%	15.4%

Table IV-3 RACIAL CHARACTERISTICS OF THE POVERTY POPULATION - 1975

	Number U.S.	Percent U.S.	Number Nonmetro	Percent Nonmetro	Number Metro	Percent Metro
Poor Persons: All Races	25,877,000	100. %	10,529,000	40.68%	15,348,000	59.31%
White	17,545,000	67.80%	7,757,000	73.67%	10,014,000	65.24%
Black	7,545,000	29.15%	2,578,000	24.48%	4,967,000	32.36%
Other	562,000	2.17%	194,000	1.84%	367,000	2.39%

It is interesting to note from Tables IV-2 and IV-3 that:

- Nonmetropolitan areas have about 32 percent of the United States population (1976), but 40.6 percent of the poverty population;

- The poverty population in nonmetropolitan areas was reduced between 1959 and 1975 by about 11.21 million, or 48.4 percent; metropolitan areas had a net reduction of only about 1.67 million, or 9 percent. (Many poor people left rural areas to seek work and better opportunity in the cities. That heavy outmigration of the poor was the principal cause of the greater rate of reduction in poverty in rural areas, not any dramatic increase in opportunity in rural areas.)

- Despite that fact, nonmetropolitan areas had a consistently greater incidence of poverty* than did metropolitan areas in all 3 years as reported in Table IV-2: 33.2 percent compared to 15.3 percent in 1959, 20.2 percent compared to 10.9 percent in 1967, and 15.4 percent compared to 10.8 percent in 1975; and

- The majority of poor people in the U.S. are white, and nonmetropolitan areas have a greater proportion of poor whites than do metropolitan areas. Conversely, metropolitan areas have a larger percentage of poor blacks, in proportion to the total, than do nonmetropolitan areas.

Numbers and percentages, of course, do not mean much in assessing what it is like to be poor in a society where affluence is widespread. They are useful, however, for noting the severe incidence of poverty in both nonmetropolitan and metropolitan areas. Poverty in rural areas, because it is scattered and unlikely to be noticed, receives less attention in national policies and legislation.

Several factors must be considered in an analysis of the rates for the reduction of poverty among nonmetropolitan and metropolitan populations during the years 1959 through 1975 (Table IV-2). Those changes stem from a complex intermeshing set of occurrences, such as fluctuations in the national economy and employment rates, urban-rural migration trends, and enactment of new national programs. It is beyond the scope of this project to analyze all of these factors, but a brief comment seems in order. During that 16-year interval, several major federal programs were enacted to alleviate poverty. Among those that partially account for the reduction in poverty are the following:

- The steady increase in Social Security benefits, enactment of the Medicare program (which relieved many people of heavy medical expenses that reduced them to poverty) and changes in policy that granted favorable benefits to people whose Social Security payments would otherwise have been very small because of a work history at very low wage levels.

- Enactment of the Supplemental Security Income and Food Stamp programs;

- Amendments to the AFDC program that encouraged work and permitted supplementary cash payments and special allowances for part-time work.

- The poverty programs started during the Great Society years -- including special economic development and public works programs in geographic areas of concentrated poverty and unemployment.

*Incidence of poverty refers to the percentage of poor people relative to a specific population group; for example, in 1959, 22 percent of the United States population was poor, but 33.2 percent of the nonmetropolitan population was poor. That 33.2 percent represents the incidence of poverty in nonmetropolitan areas.

- Improvements in the employment and training system and enactment of public service employment programs.

Taken alone, those programs might have brought about a relatively even reduction in poverty between rural and urban areas. There was, however, a large migration of poor people from rural to urban areas during the fifties and sixties, which accounts in large measure for the more rapid decline in numbers of poor people in nonmetropolitan areas. Over the 16 year span, urban centers were experiencing increases in their poverty populations to such an extent that the result was a slower net decline in the poverty population between 1959 and 1967, followed by an absolute increase between 1967 and 1975. That fact should not be used, however, to mask the severity of the poverty for those left behind in nonmetropolitan areas. Although many poor people migrated to cities, those left behind in many rural counties were the poorest, the oldest, the least healthy, and the least educated. The result is still apparent today in the higher incidence of poverty in nonmetropolitan America.

OTHER DEMOGRAPHIC CHARACTERISTICS

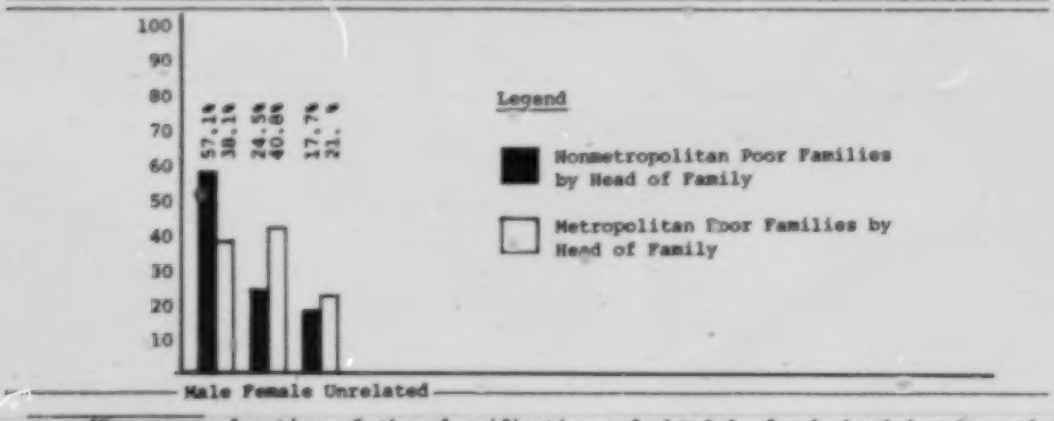
FAMILY STATUS

Of the 5,450,000 families in the United States described as poor, 2,234,000, or 40.9 percent live in nonmetropolitan areas. Only 32.79 percent of all families reside in rural areas, however, indicating that nonmetropolitan families (as with persons) have a proportionally greater incidence of poverty.

Of all the 10,529,000 nonmetropolitan poor individuals:*

- 57.7 percent (6,084,000) are persons in families with a male head - 19.1 percent of which are black;
- 24.5 percent (2,581,000) are persons in families with a female head** - 43.5% of which are black; and
- 17.7 percent (1,865,000) are persons classified as "unrelated individuals" - 15.6 percent of which are black.

Figure 3: FAMILY STATUS BY HEADS OF FAMILIES, BY PERCENTAGES



*For an explanation of the classification male-headed, female-headed and unrelated individuals, please refer to the Glossary (Appendix A).

**This is higher in urban areas, with 40.8 percent of poor families being headed by females. The difference is very important to rural areas in considering changes in federal welfare policy and programs.

Male-Headed Nonmetropolitan Poor Families

A majority of the nonmetropolitan poor population is in families with a male head. Of all those male-headed families (i.e., persons in families) in the nonmetropolitan United States population, 10.8 percent are poor (6,084,000).

Blacks in male-headed nonmetropolitan families are more than three times as likely to be poor than are whites in male-headed nonmetropolitan families:

30.4 percent of persons in the male-headed black families in the United States nonmetropolitan population are poor; and

9.2 percent of persons in male-headed white families in the United States nonmetropolitan population are poor.

In addition, the mean size of black male-headed poor nonmetropolitan families is larger than the mean size of all poor nonmetropolitan families.

3.92 is the mean size of all poor nonmetropolitan families with a male head.

3.70 is the mean size of poor white male-headed nonmetropolitan families.

4.94 is the mean size of poor black male-headed nonmetropolitan families.

However, 10.32 percent (628,000) of poor persons in poor nonmetropolitan families with a male head are 65 years and older. Eighty percent of these poor aged are white (504,000); 19 percent are black. Both black and white families with a male head in nonmetropolitan areas have roughly the same percentage of aged members in proportion to their relative size.

10.66 percent of all poor black persons in families with a male head are aged; and

10.52 percent of all poor white persons in families with a male head are aged.

Female-Headed Nonmetropolitan Poor Families

Almost half (41 percent or 2,581,000 persons) of all female-headed nonmetropolitan families (or persons in these families) are poor.

But black rural women heading families are almost twice as likely to be poor as their white counterparts:

62.9 percent of all persons in female-headed black families in the nonmetropolitan population are poor.

32.3 percent of all persons in female-headed white families in the nonmetropolitan population are poor.

Further, poor black female-headed nonmetropolitan families have a larger mean family size than either their poor white counterparts, or all poor nonmetropolitan female-headed families.

3.79 is the mean size of all poor nonmetropolitan families with a female head.

3.34 is the mean size of all poor white female-headed nonmetropolitan families, and

3.52 is the mean size of all poor black female-headed nonmetropolitan families.

Only 2.98 percent (77,000) of the aged (65 and over) nonmetropolitan poor are in families with a female head.

However, the majority of the aged poor in female-headed families (55.84 percent) are blacks, while the figure for white families is 41.55 percent.*

Unrelated Poor Individuals.

About 17.71 percent (1,865,000) of all poor nonmetropolitan residents live as "unrelated individuals;" this is roughly a third (33.2 percent) of all "unrelated individuals" in nonmetropolitan areas (5,615,000).

Most poor rural residents living alone ("unrelated individuals") are white, (83.1 percent [1,551,000]) - with blacks and other minorities comprising the remainder.

15.6 percent or 291,000 nonmetropolitan poor "unrelated individuals" are black.

1.23 percent or 23,000 nonmetropolitan poor individuals are members of the other minority groups.

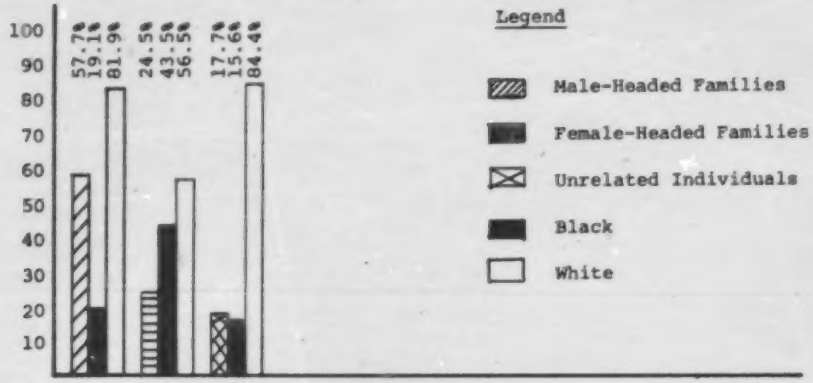
The majority of all poor nonmetropolitan "unrelated individuals" are women - 71.20 percent; for men, the statistic is 28.73 percent; and,

Most nonmetropolitan poor individuals not living with relatives are aged (65 years and older) 51.79 percent. In fact, of all poor women not living with a relative, 58.65 percent are 65 years or older.

The incidence of poverty among aged black "unrelated individuals" is twice that for whites. Of all aged (65 years and older) black women living as "unrelated individuals" 61.3 percent are in poverty, compared to 37.9 percent for whites.

*NOTE: The disproportionate presence of the black aged residing with a younger female head of household may in part account for the larger mean family size of black female-headed households.

FIGURE 4: CHARACTERISITCS OF NONMETROPOLITAN POOR FAMILIES AS TO HEAD OF FAMILY AND RACE BY PERCENTAGE



THE AGED POOR

As the table below indicates, the greatest incidence of poverty among the aged (65 years and older) is in nonmetropolitan areas.

Table IV-4 THE AGED POOR

	U.S.	Metropolitan	Nonmetropolitan
Number	3,317,000	1,646,000	1,670,000
Percentage	12.8%	10.72%	15.86%

A majority of the aged nonmetropolitan poor, 57.84 percent (966,000) lives as unrelated individuals; 37.60 percent live in male-headed families, or are themselves heads of these families; 4.61 percent live in female-headed families or are themselves heads of these families. It is interesting to note that of all female-headed nonmetropolitan poor families with aged members (77,000), fully 77.92 percent (60,000) are headed by women 65 years and older.

THE FARM* POOR

Despite the dramatic reduction in the number of farms during the past two decades, the misconception that most rural residents live on farms still prevails. However, this is not so: most (85 to 90 percent) of the rural population live in small towns and villages. Similarly, most of the rural poor do not live and work on farms, but are inhabitants of small towns. Yet, the extent of farm poverty is significant: 16.4 percent of all persons classified as farm residents were below the poverty level in 1975 -- 1,316,000 out of a total of 8,034,000.

Persons in farm families make up only 3.81 percent of the nation's total population, yet account for 5.08 percent of the country's poverty. A comparison of the poverty incidence among various constituencies by residence shows that the farm population has the highest incidence of poverty, for example:

*For definition of "farm" used here, see Glossary (Appendix A).

- 12.3 percent of the nation's population is poor;

- 10.8 percent of metropolitan residents are poor;

- 15.0 percent of the central city population is poor;

- 13.5 percent of nonmetropolitan nonfarm residents are poor; but

- 16.4 percent of the farm population is poor.

Most poor farm residents are in white families with a male head; but the incidence of poverty among all (440,000) black farm families is 50.1 percent, compared to 14.2 percent for white farm families.

Table IV-5 FAMILY AND RACIAL CHARACTERISTICS OF POOR FARM PERSONS

	Number	Percent
In male-headed families	1,147,000	87.15%
In female-headed families	51,000	3.87%
Unrelated	118,000	8.96%
White persons	1,073,000	81.53%
Black persons	220,000	16.71%
Persons of unknown origin (racial/ethnic)	23,000	1.74%

CHILDREN 3 YEARS AND YOUNGER AND WOMEN OF CHILD-BEARING AGE (15-44 YEARS) WHO ARE POOR.

Of all the nation's poor children under 3 years of age (1,694,000), 36.95 percent (626,000) are in nonmetropolitan areas. Yet nonmetropolitan areas have roughly one-third (33.25 percent) of all the nation's children under 3 years of age. Thus, relative to the population distribution of this group, there is slightly more poverty in nonmetropolitan areas than in metropolitan areas. As to racial composition:

- Most of these poor children in nonmetropolitan areas are white - 68.05 percent (426,000);

- 29.05 percent (183,000) of these poor children are black;

- 2.72 percent (17,000) of these poor children are of unspecified racial origin.

In the nation as a whole, however, 31.82 percent of all poor black children in this age group are residents of nonmetropolitan areas, while almost 40 percent (39.22 percent) of all poor white children under 3 years of age live in nonmetropolitan areas.

Poor, nonmetropolitan women in the child-bearing population (between 15 and 44 years of age), account for almost 20 percent (19.86 percent or 2,092,000) of all nonmetropolitan poor people (10,529,000).

- 73.37 percent (1,535,000) of these poor women are white;

- 24.47 percent (512,000) are black; and

- 2.16 percent (45,000) are of unspecified racial/ethnic background.

However, the incidence of poverty for black nonmetropolitan women in this age group is more than three times that for white nonmetropolitan female residents:

- 38.64 percent of all black nonmetropolitan females in this age group are poor; while
- 11.65 percent of all white females in this group are poor.

REGIONAL DISTRIBUTION OF NONMETROPOLITAN POOR

Most nonmetropolitan poverty is still concentrated in the South*. In terms of actual numbers, the least nonmetropolitan poverty is in the New England states and certain sparsely-populated Mountain states. According to 1975 data, the percentage of the nonmetropolitan poor who live in the South** is 57.41 percent (6,045,000). Of that number:

- 59.02 percent (3,568,000) are in male-headed families;
- 25.74 percent (1,556,000) are in female-headed families; while
- 15.23 percent (921,000), the remaining Southern nonmetropolitan poor are classed as "unrelated individuals."

The remaining nonmetropolitan poor, 42.58 percent (4,484,000) are in the North and West (which by this definition comprises the rest of the nation):

- 56.11 percent (2,516,000), the majority, are in male-headed families;
- 22.83 percent (1,024,000), almost a quarter, are in female-headed families;
- 21.05 percent (944,000), the remaining Northern and Western nonmetropolitan poor, are classed as "unrelated individuals."

The population distribution by type of family head for the poor residents of the nonmetropolitan South and North and West is not significantly different from the nonmetropolitan distribution as a whole. A slight increase is evident in the percentage of poor unrelated individuals in the North and West, compared to total poor nonmetropolitan unrelated individuals.

Table IV-6 shows for all states the number of persons below the official poverty level in nonmetropolitan and metropolitan areas, as well as the total poverty population and the farm poor.

Table IV-7 ranks all states as to poverty status in nonmetropolitan areas, by numbers and percentages.

*A reminder: the "South" includes the South Atlantic, East South Central and West South Central States.

**This grouping, from "Characteristics of the Population Below the Poverty Level: 1975", divides the states into a SOUTHERN region, comprised of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, and a NORTHERN AND WESTERN region containing all the states in the Northeast, North Central and Western regions, which are: Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont. North Central: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin. West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming. (The District of Columbia is included with the SOUTHERN states.)

Map 3 provides a geographic picture of that data on poverty. As the tables illustrate, rural poverty remains concentrated in the South and to a lesser extent, the Midwest, especially those states in the East North Central region of the Midwest. Three-fourths (75.46 percent) of all nonmetropolitan persons in poverty are in 22 Southern and Midwestern states, and 83 percent of all nonmetropolitan persons in poverty are in the 25 states with the largest number of nonmetropolitan poor. Pennsylvania, California, and New Mexico are the states not located in the South or Midwest, which have substantial nonmetropolitan poor populations.

Tables IV-8, 9, and 10, as well as Tables IV-6 and IV-7, are based on the Spring 1976 "Survey of Income and Education" (SIE), which provides data on all households and husband-wife households which received less than $5,000 in 1975 by state and by residence in nonmetropolitan and metropolitan areas. Since $5,000 closely approximates the official poverty line* for a family of 4 in 1975, we can assume that this figure provides a useful estimation by state as to the extent of nonmetropolitan poverty for husband-wife households in 1975.

By estimating the number of persons in husband-wife households having a total income of less than $5,000 (Table IV-8), we arrive at a national nonmetropolitan total of 6,079,220 persons, a figure that closely approximates the total number of nonmetropolitan poor persons in male-headed families - 6,084,000, as determined by the 1975 survey, "Characteristics of the Population Below the Poverty Level."

That count omits the approximately 2.58 million rural poor persons in female-headed households, and 1.86 million "unrelated individuals," who are included in the category "all households." We did not derive an estimation of the numbers of people in poverty in those households because the comparison with the $5,000 level provided in the SIE survey would not have been valid. The size of households in the "all-household" category is smaller on the average and the official poverty line considerably below $5,000 ($2,717 for an individual). To have provided an estimation by multiplying the numbers of poor people in that category would have resulted in a gross overestimation of that population.

We think, however, that the number of husband-wife households having very low incomes and the total number of persons within them are roughly accurate estimations and do provide a sense of where the rural poor reside on a state-by-state basis**. (See Table IV-8.)

Based on those statistical estimates, Tables IV-9 and IV-10 illustrate again that rural poverty is concentrated in the South -- in all three of its divisions and in the Midwest. Of those 10 states that have the greatest number of nonmetropolitan residents in husband-wife households in poverty, 9 are in the South, the exception being Missouri. Those 9 states are evenly divided among the three census divisions that comprise the Southern region. In fact, the total number of nonmetropolitan poor in husband-wife households in just those 10 states (2,916,000) accounts for almost half (47.97 percent) of the total nonmetropolitan poor in husband-wife households nationally.

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*The official national average poverty line for a family of four in 1975 was $5,097; for a farm family, it was $4,695; for a nonfarm family, it was $5,500.

**These estimations were derived by multiplying the total number of nonmetropolitan husband-wife households under $5,000 in a given state by the nonmetropolitan mean size of husband-wife households at all income levles. Caution: the mean size of many households, especially in the "all households" category, is often less than the 4-person equivalency used in the poverty-line statistics. Most households, especially in the husband-wife category, have a mean size of roughly 3.4 to 3.5 members. This should be kept in mind, as it may serve to inflate slightly the number of households in poverty. (The corresponding poverty line for a family of 3, which is less than the mean size, was $4,269 in 1975.) For a single unrelated individual $5,000 is slightly more than double the poverty level in 1975 ($2,717). Therefore, the 'all-households' category which includes this group as well as husband-wife households and female-headed households, does not lend itself to a comparison with the poverty population because an overestimation of the number classed as poor would result.

Further, of the next 5 states with the greatest number of rural poor in husband-wife households, 3 are in the Southern region and again equally divided among its divisions.

11.	Oklahoma	208,640
12.	Alabama	205,570
13.	Ohio	181,560
14.	Virginia	173,910
15.	Michigan	154,800

The nonmetropolitan poor in just these 15 states make up the majority of all nonmetropolitan poor in husband-wife households (63.17 percent) and even the deletion of those states not in the Southern region but in the Midwest (Missouri, Ohio and Michigan) does not significantly affect this fact; for fully 53.36 percent of all nonmetropolitan poor in husband-wife households live in just those 12 Southern states.

In terms of frequency, states with the fewest nonmetropolitan poor people in both husband-wife households and as "poor persons" are predominantly in the New England division. Five of the 11 (Rhode Island, Connecticut, New Hampshire, Vermont and Massachusetts) account for 1.79 percent of all nonmetropolitan poverty in husband-wife households. However, Nevada, Utah and Wyoming, in the Mountain division, have the lowest actual numbers of poor in husband-wife households when grouped as members of that division in this ranking. Overall, these 11 states account for only 3.03 percent of all nonmetropolitan poverty in two-parent households. In those states, the low incidence of rural poverty cannot be attributed to the absence of a rural population: in fact, 2 of them are the most rural in the nation - Vermont and Wyoming. (See Table IV-11.)

TABLE IV-6 NONMETROPOLITAN POOR PERSONS BY STATE (1975): BY NUMBER AND PERCENT

State	(1) No. of Poor Persons	(2) Poor Persons As % of State Population	(3) No. of Metro Poor	(4) No. of Metro Poor as % of State Poor Pop.	(5) No. of Non-Metro Poor (Incl. Farm Poor)	(6) No. of Non-metro Poor as % of State Poor Pop.	(7) No. of Farm Poor (Incl. in Non-metro Total Poor	(8) Farm Poor As % of State Poor Pop.
Alabama	587,000	16.4%	258,000	43.9%	329,000	56.0%	14,000	2.3%
Alaska	23,000	6.7%	N/A	N/A	23,000	100. %	N/A	N/A
Arizona	314,000	13.8%	235,000	74.8%	79,000	25.1%	3,000	0.9%
Arkansas	392,000	18.5%	114,000	29.0%	279,000	71.1%	38,000	9.6%
California	2,192,000	10.4%	1,922,000	87.6%	270,000	12.3%	13,000	0.5%
Colorado	230,000	9.1%	154,000	66.9%	76,000	33.0%	6,000	2.6%
Connecticut	204,000	6.7%	171,000	83.8%	33,000	16.1%	1,000	0.4%
Delaware	47,000	8.2%	32,000	68.0%	15,000	31.9%	1,000	2.1%
Florida	1,225,000	14.4%	811,000	66.2%	414,000	33.7%	22,000	1.8%
Georgia	883,000	18.0%	323,000	36.5%	560,000	63.4%	34,000	3.8%
Hawaii	67,000	7.9%	54,000	80.5%	13,000	19.4%	1,000	1.4%
Idaho	85,000	10.3%	12,000	14.1%	74,000	87.0%	16,000	18.8%
Illinois	1,150,000	10.5%	986,000	85.7%	165,000	14.3%	46,000	4.0%
Indiana	424,000	8.1%	246,000	58.0%	178,000	41.9%	51,000	12.0%
Iowa	225,000	7.9%	63,000	28.0%	162,000	72.0%	50,000	22.2%
Kansas	178,000	8.0%	72,000	40.4%	106,000	59.5%	25,000	14.0%
Kentucky	596,000	17.7%	170,000	28.5%	426,000	71.4%	80,000	13.4%
Louisiana	720,000	19.3%	326,000	45.2%	394,000	54.7%	24,000	3.3%
Maine	126,000	12.0%	17,000	13.4%	110,000	87.3%	6,000	4.7%
Maryland	313,000	7.7%	251,000	80.1%	62,000	19.8%	7,000	2.2%
Massachusetts	408,000	7.1%	354,000	86.7%	54,000	13.2%	1,000	0.2%
Michigan	821,000	9.1%	603,000	73.4%	218,000	26.5%	27,000	3.2%
Minnesota	324,000	8.3%	134,000	41.3%	190,000	58.6%	64,000	19.7%

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TABLE IV-6 (Continued)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mississippi	607,000	26.1%	94,000	15.4%	513,000	84.5%	52,000	8.5%
Missouri	565,000	12.0%	295,000	52.2%	270,000	47.7%	60,000	10.6%
Montana	86,000	11.5%	13,000	15.1%	73,000	84.8%	16,000	18.6%
Nebraska	147,000	9.6%	50,000	34.0%	97,000	65.9%	40,000	27.2%
Nevada	53,000	8.8%	43,000	81.1%	10,000	18.8%	1,000	1.8%
New Hampshire	65,000	7.9%	14,000	21.5%	51,000	78.4%	1,000	1.5%
New Jersey	586,000	8.1%	457,000	77.9%	130,000	22.1%	2,000	0.3%
New Mexico	223,000	19.3%	36,000	16.1%	186,000	83.4%	8,000	3.5%
New York	1,671,000	9.4%	1,519,000	90.9%	152,000	9.0%	26,000	1.5%
North Carolina	788,000	14.7%	260,000	32.9%	528,000	67.0%	36,000	4.5%
North Dakota	66,000	10.6%	5,000	7.5%	61,000	92.4%	22,000	33.3%
Ohio	997,000	9.4%	719,000	72.1%	278,000	27.8%	37,000	3.7%
Oklahoma	370,000	13.8%	145,000	39.1%	225,000	60.8%	30,000	8.1%
Oregon	204,000	8.9%	122,000	59.8%	82,000	40.1%	7,000	3.4%
Pennsylvania	1,133,000	9.7%	878,000	77.4%	255,000	22.5%	34,000	3.0%
Rhode Island	80,000	8.7%	67,000	83.7%	12,000	15.0%	N/A	N/A
South Carolina	478,000	17.2%	147,000	30.7%	330,000	69.0%	65,000	13.5%
South Dakota	88,000	13.1%	8,000	9.1%	79,000	89.7%	38,000	43.1%
Tennessee	660,000	15.8%	305,000	46.2%	355,000	53.7%	44,000	6.6%
Texas	1,870,000	15.2%	1,212,000	64.8%	658,000	35.1%	52,000	2.7%
Utah	103,000	8.5%	77,000	74.7%	26,000	25.2%	4,000	3.8%
Vermont	63,000	13.5%	N/A	N/A	63,000	100. %	7,000	11.1%
Virginia	513,000	10.5%	229,000	44.6%	285,000	55.5%	29,000	5.6%
Washington	299,000	9.5%	203,000	67.8%	96,000	32.1%	9,000	3.0%
West Virginia	270,000	15.1%	52,000	19.2%	218,000	80.7%	11,000	4.0%
Wisconsin	352,000	7.7%	168,000	47.7%	184,000	52.2%	71,000	20.1%
Wyoming	33,000	8.7%	N/A	N/A	33,000	100. %	5,000	15.1%

Table-IV-7 STATES RANKED BY PERCENTAGES AND NUMBERS OF NONMETROPOLITAN POOR

States Ranked From Most to Least By Actual No. of Nonmetro Poor (1975)		States Ranked from Most to Least By Percentage of State Poor Pop. that is Nonmetro (1975)	
(1) State	(2) No. of Poor Nonmetro	(3) State	(4) % of Poor Nonmetro
Texas	658,000	Vermont	100. %
Georgia	560,000	Wyoming	100. %
North Carolina	528,000	*Alaska	100. %
Mississippi	513,000	North Dakota	92.4%
Kentucky	426,000	South Dakota	89.7%
Florida	414,000	Maine	87.3%
Louisiana	394,000	Idaho	87.0%
Tennessee	355,000	Montana	84.8%
South Carolina	330,000	Mississippi	84.5%
Alabama	329,000	New Mexico	83.4%
Virginia	285,000	West Virginia	80.7%
Arkansas	279,000	New Hampshire	78.4%
Ohio	278,000	Iowa	72.0%
California	270,000	Kentucky	71.4%
Missouri	270,000	Arkansas	71.1%
Pennsylvania	255,000	South Carolina	69.0%
Oklahoma	225,000	North Carolina	67.0%
Michigan	218,000	Nebraska	65.9%
West Virginia	218,000	Georgia	63.4%
Minnesota	190,000	Oklahoma	60.8%
New Mexico	186,000	Kansas	59.5%
Wisconsin	184,000	Minnesota	58.6%
Indiana	178,000	Alabama	56.0%
Illinois	165,000	Virginia	55.5%
Iowa	162,000	Louisiana	54.7%
New York	152,000	Tennessee	53.7%
New Jersey	130,000	Wisconsin	52.2%
Maine	110,000	Missouri	47.7%
Kansas	106,000	Indiana	41.9%
Nebraska	97,000	Oregon	40.1%
Washington	96,000	Texas	35.1%
Oregon	82,000	Florida	33.7%
Arizona	79,000	Colorado	33.0%
South Dakota	79,000	Washington	32.1%
Colorado	76,000	Delaware	31.9%
Idaho	74,000	Ohio	27.8%
Montana	73,000	Michigan	26.5%
Vermont	63,000	Utah	25.2%
Maryland	62,000	Arizona	25.1%
North Dakota	61,000	Pennsylvania	22.5%
Massachusetts	54,000	New Jersey	22.1%
New Hampshire	51,000	Maryland	19.8%
Connecticut	33,000	Hawaii	19.4%
Wyoming	33,000	Nevada	18.8%
Utah	26,000	Connecticut	16.1%
Alaska	23,000	Rhode Island	15.0%
Delaware	15,000	Illinois	14.3%
Hawaii	13,000	Massachusetts	13.2%
Rhode Island	12,000	California	12.3%
Nevada	10,000	New York	9.0%

*Although Alaska is not totally nonmetropolitan in population, its poverty population is located outside metropolitan areas according to the Spring 1976 Survey of Income and Education.

MAP 3 25 STATES WITH 82.9 PERCENT OF THE NATION'S NONMETROPOLITAN POOR POPULATION

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TABLE IV-8 NONMETROPOLITAN (NM) HOUSEHOLDS (H/H) AND HUSBAND-WIFE (H-W) HOUSEHOLDS WITH INCOME UNDER $5,000 (1975)

Census Division / State	(1) All NM H/H Under $5,000	(2) Mean Size of All NM H/H - All Income Levels	(3) All NM H-W H/H Under $5,000	(4) Mean Size of NM H-W H/H - All Incomes	(5) Statis. Est. of No. of Persons in NM H-W H/H Under $5,000
I. New England					
Maine	56,000	2.96	17,000	3.46	58,820
New Hampshire	31,000	2.96	7,000	3.51	24,570
Vermont	32,000	2.94	8,000	3.53	28,240
Massachusetts	45,000	2.96	9,000	3.53	31,770
Rhode Island	9,000	2.85	2,000	3.48	6,960
Connecticut	25,000	2.96	5,000	3.49	17,450
II. Mid-Atlantic					
New York	149,000	2.85	29,000	3.47	100,630
New Jersey	60,000	3.24	16,000	3.64	58,240
Pennsylvania	153,000	3.05	41,000	3.61	148,010
III. East North Central					
Ohio	158,000	3.08	51,000	3.58	181,560
Indiana	128,000	2.91	39,000	3.44	134,160
Illinois	147,000	2.77	36,000	3.28	118,080
Michigan	139,000	2.97	44,000	3.52	154,880
Wisconsin	122,000	3.06	40,000	3.63	145,200
IV. West North Central					
Minnesota	117,000	3.07	40,000	3.66	146,400
Iowa	130,000	2.83	36,000	3.43	123,480
Missouri	187,000	2.67	82,000	3.17	259,940
North Dakota	36,000	3.04	12,000	3.64	43,680
South Dakota	44,000	3.08	18,000	3.61	64,980
Nebraska	67,000	2.87	20,000	3.47	69,400
Kansas	92,000	2.69	28,000	3.25	91,000
V. South Atlantic					
Delaware	10,000	2.99	2,000	3.42	6,840
Maryland	41,000	2.91	12,000	3.43	41,160

TABLE IV-8 Continued

		(1)	(2)	(3)	(4)	(5)
V.	Virginia	148,000	2.97	51,000	3.41	173,910
	West Virginia	111,000	2.90	31,000	3.41	105,710
	North Carolina	268,000	3.01	116,000	3.43	397,880
	South Carolina	120,000	3.22	38,000	3.59	136,420
	Georgia	227,000	3.05	90,000	3.46	311,400
	Florida	222,000	2.75	75,000	3.19	239,250
VI.	East South Central					
	Kentucky	205,000	3.00	97,000	3.45	334,650
	Tennessee	182,000	2.99	85,000	3.36	285,600
	Alabama	179,000	2.91	61,000	3.37	205,580
	Mississippi	195,000	3.12	69,000	3.64	251,160
VII.	West South Central					
	Arkansas	148,000	2.86	64,000	3.34	213,760
	Louisiana	141,000	3.38	61,000	3.84	234,240
	Oklahoma	158,000	2.72	64,000	3.26	208,640
	Texas	278,000	2.97	113,000	3.44	388,720
VIII.	Mountain					
	Montana	42,000	2.91	12,000	3.58	42,960
	Idaho	42,000	3.02	14,000	3.53	49,420
	Wyoming	21,000	2.93	7,000	3.46	44,980
	Colorado	40,000	2.92	13,000	3.46	24,220
	New Mexico	56,000	3.23	21,000	3.70	77,700
	Arizona	31,000	3.25	11,000	3.72	40,920
	Utah	15,000	3.26	6,000	3.70	22,200
	Nevada	6,000	2.86	2,000	3.36	6,720
IX.	Pacific					
	Washington	72,000	2.88	16,000	3.42	54,720
	Oregon	57,000	2.80	16,000	3.37	53,920
	California	129,000	2.89	31,000	3.37	104,470
	Alaska	8,000	3.26	2,000	3.85	7,700
	Hawaii	9,000	3.39	2,000	3.85	7,700
UNITED STATES TOTALS		5,096,000	2.96	1,757,000	3.46	6,079,220

Table IV-9 STATISTICAL ESTIMATION OF NUMBER OF PERSONS IN NONMETROPOLITAN (NM) HUSBAND-WIFE (H-W) HOUSEHOLDS (H/H) UNDER $5,000 INCOME IN 1975, BY CENSUS REGIONS

Division	(1) Number of NM Persons in H/W H-H Under $5,000	(2) 1975 Total Non-Metro Population*	(3) As Percentage of Total
Division I New England	167,810	2,141,600	7.83%
Division II Mid-Atlantic	306,880	4,901,800	6.26%
Division III East North Central	733,880	9,518,200	7.71%
Division IV West North Central	798,880	8,244,400	9.68%
Division V South Atlantic	1,412,570	11,549,800	12.23%
Division VI East South Central	1,076,980	6,483,200	16.61%
Division VII West South Central	1,045,360	6,522,000	16.02%
Division VIII Mountain	309,120	3,798,200	8.13%
Division IX Pacific	228,510	3,794,800	6.02%

*Source - "Data Book for The White House Conference on Balanced National Growth and Economic Development." Prepared by U.S. Department of Commerce, Bureau of the Census. Table 1-11. p. 25.

Table IV-10 STATISTICAL ESTIMATE OF NUMBER OF PERSONS IN NONMETROPOLITAN HUSBAND-WIFE HOUSEHOLDS UNDER $5,000 INCOME IN 1975: 10 STATES WITH LEAST NONMETROPOLITAN POOR AND 10 STATES WITH MOST NONMETROPOLITAN POOR

Ranking	10 States with Least Poor		10 States with Most Poor	
	State	Number of Poor	State	Number of Poor
1.	Nevada (Mountain)	6,720	North Carolina (South Atlantic)	397,880
2.	Delaware (South Atlantic)	6,840	Texas (West South Central)	388,720
3.	Rhode Island (New England)	6,960	Kentucky (East South-Central)	334,650
4.	*Alaska *Hawaii (Pacific)	7,700 7,700	Georgia (South Atlantic)	311,400
5.	Connecticut (New England)	17,450	Tennessee (East South Central)	285,600
6.	Utah (Mountain)	22,200	Missouri (West North Central)	259,940
7.	Wyoming (Mountain)	24,220	Mississippi (East South Central)	251,160
8.	New Hampshire (New England)	24,570	Florida (South Atlantic)	239,250
9.	Vermont (New England)	28,240	Louisiana (West South Central)	234,240
10.	Massachusetts (New England)	31,770	Arkansas (West South-Central)	213,760

*Ranked jointly.

Table IV-11 A RANKING OF THE 11 STATES WITH THE LOWEST PERCENT OF NONMETROPOLITAN PERSONS IN HUSBAND-WIFE HOUSEHOLDS IN POVERTY, BY PERCENT OF TOTAL POPULATION WHICH IS NONMETROPOLITAN

State	% Nonmetro of Total State Population	Total Nonmetro Poor in H-W H/H	Nonmetro Poor in H-W H/H as % of State's Total Nonmetro Pop.
Massachusetts	3%	31,770	16.80%
Connecticut	8%	17,450	7.03%
Rhode Island	9%	6,960	8.66%
Nevada	19%	6,720	5.71%
Hawaii	19%	7,700	4.57%
Utah	21%	22,200	8.53%
Delaware	31%	6,840	3.78%
New Hampshire	50%	24,570	5.98%
Alaska	58%	7,700	5.09%
Vermont	100%	28,240	5.[illegible]%
Wyoming	100%	24,220	[illegible]

HEADS OF FAMILIES, WORK INVOLVEMENT, INCOME, AND SOURCES OF INCOME

HEADS OF HOUSEHOLDS - CHARACTERISTICS AND WORK INVOLVEMENT

Since the work experience of the poor, particularly heads of households, has assumed great importance for welfare policy, an examination of the characteristics of nonmetropolitan poor families and family heads along with their work patterns and income seems warranted.

Characteristics:

When compared to their urban counterparts and the poor in the nation as a whole, nonmetropolitan families and heads of families work the most, and are:

...the poorest,
...the oldest, and
...the least educated

The following statistics are illuminating:

We have already seen that, of all poor families in the United States (5,450,000), 40.9 percent (or 2,234,000) reside in nonmetropolitan areas. However, of all families in the nation only 32.79 percent reside in nonmetropolitan areas, indicating that nonmetropolitan families have a proportionately greater incidence of poverty.

The median age for nonmetropolitan family heads in poverty is 44 years, making them the oldest of this group when compared to metropolitan areas (37.1 years). The national average is 39.8 years.

Most (87.37 percent) nonmetropolitan poor family heads are older than 25 years, yet 74.1 percent have not completed high school. This is higher than the metropolitan average of 60.1 percent, or the 66.1 percent national average. In fact,

over a third (36.21 percent) of all poor nonmetropolitan family heads over 25 years of age have not completed elementary school (i.e., less than 8 years).

Despite low educational attainment, poor nonmetropolitan family heads had the highest percentage of involvement in the labor force (57.52 percent) when compared to metropolitan areas (45.36 percent), or to the nation (50.36 percent).

Work Involvement

Further, of those family heads who worked, many worked full-time; but most worked part-time, due to an inability to find other work. The following statistics provide an interesting picture of the work involvement.

Of all those who worked in 1975 (1,285,000 or 57.52 percent of all poor nonmetropolitan family heads):

43.5 percent worked 50 to 52 weeks and most of these working heads of households were employed full-time (82.28 percent). The remaining

56.5 percent of heads of households worked 1-to-49 weeks; but during their period of employment, most (75.37 percent) worked full-time.

In fact, of all those poor nonmetropolitan heads of households who worked 1-to-49 weeks (part time), the main reason given for reduced work involvement was an inability to find work:

47.18 percent (or 343,000) were unable to find work;

19.53 percent (or 142,000) cited unspecified other reasons;

17.74 percent (or 129,000) were occupied keeping house; and

15.54 percent were too ill or disabled to work.

Involvement in the labor force is so marked among nonmetropolitan households that we find that almost 70 percent had at least one member, if not more, working at some time during a year. Of all nonmetropolitan poor families with a civilian* head of household:

38.96 percent (the majority) had 1 worker;

32.61 percent had no workers; but

20.31 percent had two workers; and

8.10 percent had three or more workers.

In families with 3 or more workers, 88.88 percent had a working head of the family, and in nearly half of these families (49.37 percent or 79,000) this worker was employed year-round full-time.

Further, of all those heads of households who did not work (935,000 or 41.85 percent of the total nonmetropolitan poor heads), the main reason given was illness or disability that precluded involvement in the labor force:

*This breakdown is for civilian heads only, while others have included a small number of military personnel. Total percent with some labor force involvement - 67.37 percent.

42.78 percent (or 400,000) cited illness or disability;

27.48 percent (or 257,000) were keeping house;

21.17 percent (or 198,000) were retired;

6.73 percent (or 63,000) were unable to find work;

.96 percent (or 9,000) were attending school; and

.96 percent (or 9,000) cited other reasons for noninvolvement.

Therefore, even though nonmetropolitan poor heads of households are more handicapped in terms of age, education and disability than their metropolitan counterparts, they have the greatest involvement in the labor force of any segment of the poor population. Even with their high rate of involvement in the labor force, they are still poor -- an indication of underemployment. They seem to reduce employment participation, mainly, when either unable to find work or too ill or disabled to be employable.

INCOME FOR THE NONMETROPOLITAN POOR

Mean and Median Incomes

Although the high profile of labor force involvement among nonmetropolitan families might lead to the assumption that they receive a greater income than other poor groups, exactly the opposite is true. Nonmetropolitan poor families have the lowest mean and median incomes when compared to those for the United States and metropolitan areas. (See Table IV-12.)

Table IV-12 POOR FAMILY INCOMES - 1975

		Median	Mean
U.S.	-	$3,130	$3,101
Metropolitan	-	$3,152	$3,157
Nonmetropolitan	-	$3,096	$3,019

Further, those of the nonmetropolitan poor who have the greatest attachment to the labor force have lower mean incomes than those who receive only part of their total income from work. (See Table IV-13.)

Table IV-13 MEAN INCOME BY ORIGIN: ALL NONMETROPOLITAN AND METROPOLITAN POOR FAMILIES

Origin	Mean Income	
	Nonmetro	Metro
1) Combination of earnings + income from sources other than earnings	$3,239	$3,512
2) Earnings only	$3,066	$3,318
3) Income from other sources entirely - no earned income	$2,809	$3,052

SOURCES OF INCOME FOR NONMETROPOLITAN POOR FAMILIES

Most (67 percent) nonmetropolitan poor families received either all or some combination of their income from employment sources. However, only slightly more than one-fifth of all nonmetropolitan poor families received all or some portion of their income from a means-tested income support program.

In brief, the breakdown is as follows;

24 percent (or 540,000) of nonmetropolitan poor families had earnings as a sole source of income;

43 percent (or 979,000) of these families received their income from a combination of employment and some form of "unearned" income;

30 percent (or 682,000) of these families received their income from some form of "unearned other"* income and "transfer payments", but not from any work-related source; and

.01 percent (or 33,000) received no income from any source.

The total number of families receiving all or some portion of their income from employment is 1,519,000 (67 percent.)

The importance of knowing how money from employment and unearned income affects the incomes of the rural poor is critical in understanding the interplay of forces between work and public assistance.

Therefore, a detailed breakdown is given for two categories of families: (1) those who received income from a mixture of employment and unearned income sources and, (2) those who received only unearned income.

Families Having Income From a Combination of Earned and Unearned Sources

This category accounts for 979,000 families, or 43 percent of the total nonmetropolitan poor families in 1975, and breaks down thus:

43.92 percent (430,000 families) received income from both employment and some "unearned other" source of income, such as alimony, child support, receipts from annuities or insurance, or contributions from persons not living in the household. In this category of families with an earned income - plus "unearned other" income, the majority received unearned income from sources such as those listed above.

27.47 percent (269,000 families) received their income from both employment and some other unspecified combination that does not include Social Security, Public Assistance, or Supplemental Security Income.

15.32 percent (150,000 families) received the unearned portion of their income from Public Assistance (AFDC), a means-tested income support program.

*It is important to note that "unearned other" income refers to income from nonpublic sources, such as alimony, child support, annuities, etc; the term "transfer payments" refers to income from both means and nonmeans tested government income and retirement programs, such as AFDC and Social Security. Both categories of income are classified as "unearned."

11.13 percent (109,000 families) received their unearned income from Social Security "transfer" payments, a non-means-tested income support program.

2.14 percent (21,000 families) received the unearned portion of their income through the Supplemental Security Income Program (SSI) a means-tested income support program for the aged, blind and disabled.

Thus, a relatively small percentage of this group, 17.46 percent, (15.32 percent plus 2.14 percent shown above) or 171,000 families, received non-wage income from means-tested income support programs.

Nonmetropolitan Families Having Entire Income From Sources Other Than Earnings

The families which received no income from earnings account for 30 percent (682,000 families) of the total nonmetropolitan poor population. Their income comes from unearned sources -- either "unearned other" income or "transfer payments."

29.03 percent (198,000 families) receive their income from "unearned other" unspecified sources and combinations of sources other than the ones listed below. This is the largest group within this breakdown and even though they could receive some portion of their income from a means-tested income support program, it is likely that if this occurs, it represents a residual amount. The main portion probably comes from other sources such as Veterans Benefits, or Unemployment Insurance. It is also possible they receive no income from means-tested programs. (For analytical purposes, and with those reservations in mind, that group of families will not be numbered among those receiving means-tested income support assistance.)

19.06 percent (130,000 families) received their only income through public assistance programs, such as AFDC, AFDC-UF and GA. (Medicaid payments and recipients of medical assistance only are excluded.)

18.91 percent (129,000 families) received their income from Social Security benefits solely. This includes retirement, survivors and permanent disability insurance payments. (These families are not recipients of means-tested cash "transfers" and are not included in the number of families receiving some support from such programs.)

13.92 percent (95,000 families) received their income from a combination of Social Security benefits and Supplemental Security Income (SSI) payments.

6.59 percent (45,000 families) received their income solely from "unearned other" sources such as annuities, alimony, child support, or contributions from persons not living in the household. (This group is also not included with those receiving means-tested income support benefits.)

4.25 percent (29,000 families) received their income through a combination of public assistance payments and SSI payments.

An additional 4.25 percent (29,000 families) received their income from a combination of Social Security, SSI and public assistance; and

3.81 percent (26,000 families) received SSI as their only source of income.

A computation of the total number of poor nonmetropolitan families with no earned income who received all or some portion of their income from a means-tested* income support program, shows that the majority do not receive assistance from these programs. Only 45 percent of that group received some benefits from those programs. Even with the inclusion of 198,000 families receiving "other combinations of support" (not listed in first category), which is at best a questionable inclusion, the statistics represent only 74.34 percent of these poor nonmetropolitan families.

A recap of the 45 percent of the nonmetropolitan poor families which received all or some of their income from means-tested public assistance is as follows.

19.0%	-	from AFDC-AFDC-UF, GA
13.9%	-	from SSI and Social Security
4.2%	-	from AFDC, AFDC-U, GA and SSI
4.2%	-	from Social Security, SSI and AFDC, AFDC-UF and GA
3.8 %	-	from SSI
45.1%	-	Total

Out of the total 2,234,000 nonmetropolitan poor families, only 21.48 percent (or 480,000 families) which is slightly more than one fifth, received all or some portion of their income from means-tested income support programs. Out of the total of 3,216,000 metropolitan poor families, 33.5 percent (or 1,079,000 families) received all or some portion of their income from means-tested income support programs. The number of nonmetropolitan and metropolitan families receiving all or some portion of their income from unearned (means-tested cash transfers) sources is as follows.

Nonmetro	Metro	Sources of Income/Means-tested Programs
150,000	330,000	families received earned income plus income from AFDC, AFDC-UF or GA.
21,000	24,000	families received earned income, plus income from SSI.
130,000	628,000	families received their only income from AFDC, AFDC-UF or GA.
95,000	31,000	families received their only income from a combination of SSI and Social Security.
29,000	33,000	families received their only income from a combination of AFDC, or AFDC-UF, or GA and SSI.
29,000	18,000	families received their only income from a combination of AFDC, AFDC-UF, GA, Social Security and SSI.
26,000	15,000	families received their only income from SSI.
480,000 families or 21.48%	1,079,000 families, or 33.5%	

*Note: Food Stamps and housing allowances are means-tested, but are in the category of "in-kind," rather than cash-assistance programs.

SUMMARY

Poverty continues to be an acute problem for millions of rural residents, although the poverty is less severe than it was 10 or 20 years ago. These rural poor are mostly white and in male-headed families. Blacks and female-headed families, however, suffer a far greater incidence of poverty, the rate being between two and three times that of white and male-headed families. Poor families and individuals can be found in almost every nonmetropolitan area, village or town, but they are concentrated in the South.

Most of the nonmetropolitan poor have some involvement with the labor force and still remain poor. In fact, it is the minority of rural poor families (less than 25 percent) who received any means-tested cash assistance designed to alleviate their poverty. This under-participation in the welfare system is puzzling. Why are so few being helped? Is it due to their reluctance to "be on welfare" or is it some fault within the system itself that results in so few of the truly needy receiving aid? And what are the implications of this for any attempts at reforming the welfare system?

Part B of this Chapter attempts to answer those questions by an examination of the public assistance system as it operates in rural areas throughout the country.

CHAPTER IV

FINDINGS: PART B

THE PUBLIC ASSISTANCE SYSTEM IN NONMETROPOLITAN AREAS

The purpose of this section is to report on the project's findings about the current public assistance, or "welfare" system, in nonmetropolitan areas, especially as it compares with that of metropolitan areas. The focus is on programs and benefits available to rural recipients, contrasted with exhibited need.

The definition of public assistance as used in this report includes Aid to Families with Dependent Children (AFDC) and the Unemployed Father component (AFDC-UF), Supplemental Security Income for the aged, blind and disabled (SSI), Food Stamps (FS), and General Assistance (GA). All the programs are means-tested and, except for Food Stamps, are cash grant programs. The terms "public assistance" and "welfare" are used interchangeably in this section and elsewhere in the report*.

THE NATIONAL PICTURE: ALL STATES

BACKGROUND

This country's public assistance system is a set of complex and confusing government programs. It has often been said that there is not one welfare system but at least fifty-one -- each with different programs, eligibility criteria, benefit levels, and payment standards. Except for SSI which states may choose to have federally administered, programs are administered by states, counties and, in some cases, cities.

Broad federal requirements affect or guide all programs, but eligibility rules, standards, and benefit levels are determined by a mix of state and federal policies.

- AFDC and AFDC-UF benefits are financed by combined state and federal funds; payment standards and maximum benefits are determined by state legislatures**. General Assistance is funded by state and/or local governments under guidelines and benefit levels set by the funding and/or administering body. The result is greatly dissimilar treatment among states for families and individuals in similar circumstances.

- With SSI, the federal government sets basic income benefits and pays cash grants to the aged, blind and disabled who meet stated income and asset standards. States may choose to supplement the federal benefit and may administer the program or have the federal government do so.

- The Food Stamp program is the only public assistance program that provides benefits based solely on need (i.e., income relative to a poverty threshold, rather than a category defined by family status, age, or other classification). Benefits in the form of cash-equivalent bonus coupons for the purchase of food are federally-funded and state-administered. Among the beneficiaries of the Supplemental Security Income and Food Stamp programs, therefore, there is less dissimilarity among states in benefits to individuals

*The Glossary in Appendix A provides descriptions of major transfer programs.

**Seventeen states, including New York, require local subsidy and administration as a contribution toward nonfederal costs.

and families in similar circumstances. Even so, significant differences appear in those two public assistance programs, despite strict federal standards and guidelines.

The most familiar examples of inequities among poor people in similar circumstances are found in the AFDC and AFDC-UF programs, which are considered by the general public to constitute the welfare system. As James Storey noted in the series of studies on the state of public assistance, done in 1973 for the Congressional Joint Economic Committee's Subcommittee on Fiscal Policy: "It is well known that the level of welfare benefits varies enormously from place to place. For instance, among the one hundred counties studied here, a family of four with no income could receive $6,136 a year in tax-free cash, food and housing benefits in Boston, Massachusetts, but only $2,281 in Bolivar County, Mississippi." It was noted that "the AFDC caseload is predominantly urban, but the poverty population is concentrated in rural areas." (Emphasis added.)1/

HOW DO THE PUBLIC ASSISTANCE PROGRAMS IN STATES WITH SIGNIFICANT PROPORTIONS OF THEIR POPULATIONS IN NONMETROPOLITAN AREAS COMPARE WITH THOSE IN STATES WITH LARGELY METROPOLITAN POPULATIONS?

IS THERE ANY DEMONSTRABLE RELATIONSHIP BETWEEN RURALNESS AND THE PAYMENT OF RELATIVELY LOW BENEFITS?

For several years now, the inequities and inefficiencies of the welfare system have been a major concern of executive branch and congressional officials. And progress has been made: enactment of the SSI program has alleviated gross inequities and inadequacies in aid for the aged, blind and disabled; and expansion of the Food Stamp program has provided assistance to single and working-poor people, as well as others who do not fit into the confining categories of cash grant public assistance programs.

HAVE THOSE CHANGES MEANT SIGNIFICANT IMPROVEMENTS FOR THE POOR PEOPLE IN RURAL AREAS?

It has already been shown that, although more poor people live in metropolitan than in nonmetropolitan areas (about 15.3 million compared to 10.5 million respectively), rural residents have a higher incidence of poverty (15.4 percent) than do urban residents (10.8 percent). Looking at the figures another way, we see that about 40.9 percent (10,529,000) of the nation's 25,877,000 poor people live in nonmetropolitan areas.

NOW, THEN, ARE THOSE RURAL POOR PEOPLE SERVED BY PUBLIC ASSISTANCE PROGRAMS?

The findings reported in this section provide some of the important answers to those and other questions.

ALLOCATION OF FEDERAL FUNDS

One way of measuring whether or not the distribution of federal funds (for public assistance programs) approaches equity is to examine the percentage of federal monies spent in relation to the proportion of the total poverty population.

- In the AFDC, AFDC-UF, SSI and Food Stamp programs, federal outlays in 1975 never, in any instance, reached parity with the total percentage of people in nonmetropolitan areas who are poor, as can readily be seen in Table IV-14.

- In the category of human resource development programs (including outlays for such public services as education, health payments and manpower programs, as well as welfare), federal outlays were almost $100 per capita greater in declining metropolitan counties than in declining nonmetropolitan counties in 1975.2/

Table IV-14 PERCENTAGE OF FEDERAL DOLLARS FOR PUBLIC ASSISTANCE PROGRAMS, 1975

Programs	Percentage of Federal Dollars	
	Metro Areas	Nonmetro Areas
1. Public Assistance/Maintenance Assistance - AFDC and AFDC-UF (a statistical proration)	81.6%	18.4%
2. Supplemental Security Income	64.8%	35.2%
3. Food Stamps	68.5%	31.5%

COMPARISONS OF AFDC, AFDC-UF AND FOOD STAMP PROGRAMS IN NONMETROPOLITAN AND METROPOLITAN STATES

Making comparisons of public assistance programs in all states requires classification of the states as nonmetropolitan or metropolitan. There is no such official classification, and obviously one could choose alternative cutoffs based on numbers or percentages of population for classifying areas as rural or nonmetropolitan. However, many states with low proportions of residents in nonmetropolitan areas have large numbers of residents in rural areas. To assure that a fair picture would be presented, therefore, we decided to examine public assistance programs in states with varying proportions and numbers of nonmetropolitan populations. We defined these three classifications of states as having "significant" nonmetropolitan populations:

- states having 50 percent or more of nonmetropolitan residents,
- states ranked in the top 25 in numbers and percentages of nonmetropolitan population, and
- states having 32 percent or more nonmetropolitan residents*.

Using those three classifications, we contrasted maximum payable amounts (MPA's) for AFDC and AFDC-UF plus Food Stamps in all states.

The tables that follow give insight into the contrasts nationwide in benefit payments for Aid to Families with Dependent Children (AFDC) and Food Stamp bonuses (FS).

Table IV-15 ranks the states from most to least in percent of nonmetropolitan residents and shows for each state the average amounts of AFDC benefits per family and per recipient. Those states with a higher percentage of residents in nonmetropolitan areas tend to have lower AFDC payments per family and per recipient than the national average for such payments. Conversely, those states with greater percentages of people in metropolitan areas have, on the whole, payments above the national average.

Analysis of Table IV-15 shows that:

- Of the 19 states in which 50 percent or more of the population is in nonmetropolitan areas, only 5 have average monthly AFDC benefits above the national average of $241.98.

*The proportion of the nation's population that was classified as nonmetropolitan in 1976 was 32.4 percent. All states having a nonmetropolitan population that is in excess of 32.4 percent may be considered, then, to have a "significant" nonmetropolitan population.

- Of the 19 states having the largest percentages of metropolitan population, 13 have AFDC benefits above the national average.

- Of the 31 states having more than 50 percent of their population in metropolitan areas, 16 have AFDC benefits above the national average.

- Of the 25 states having the highest numbers of rural people, 16 pay less than the national average in monthly AFDC benefits per recipient.

- Of the 12 states that rank among the top 25 as to both number and percent of nonmetropolitan residents, 10 pay AFDC cash monthly benefits that are below the national average of $240.98. (Those 12 states are North Carolina, Georgia, Kentucky, Wisconsin, Iowa, Mississippi, South Carolina, Louisiana, Alabama, Arkansas, Kansas, and Oklahoma. Only Wisconsin and Iowa exceed the national average).

Table IV-16 shows the annual maximum potential assistance available through AFDC and Food Stamp benefits for all states, and the ranking of each state as to number and percent of nonmetropolitan residents.

Table IV-17 compares average monthly benefits per recipient and maximum payable amounts per family of 4 in the 25 states having the most nonmetropolitan population numerically and in percentages. Figure 5 provides a visual picture of these contrasts.

Table IV-18 shows for all states the percent of state budgets spent on public welfare and the ranking as to percent of state budget spent on public welfare, along with the percent of the population that is in poverty.

Tables IV-16 and IV-17 make it clear that Maximum Payable Amounts (including AFDC and Food Stamps) tend to be lower in more of the 25 states having high nonmetropolitan populations (by number and percentage) than the median MPA for all states. There are exceptions, as will be noted. Those two tables, along with Table IV-18, are notable for the following findings among states:

- Among the 25 states ranked highest in nonmetropolitan population by number, 16 have an MPA below the median of $5,220 for all states; 9 have MPA's above the median: Illinois, Wisconsin, Iowa, Michigan, California, New York, Minnesota, Kansas and Pennsylvania. Six of the 9 states having MPA's above the state median are not among the 25 states with the most nonmetropolitan population by percentages: Pennsylvania, Minnesota, Illinois, New York, Michigan, and California. Three of those states are in the top 25 in percentage of nonmetropolitan population: Wisconsin, Iowa, and Kansas.

- Among the 25 states ranked highest in nonmetropolitan population by percent, 13 have an MPA below the median of $5,220 for all states. The 11 states having MPA's above the median are: Vermont, South Dakota, Idaho, North Dakota, Iowa, Alaska, Nebraska, Kansas, New Hampshire, Oregon and Wisconsin. Maine, which has the median benefit, is 70 percent nonmetropolitan.

- Only three states which rank among the top 25 in both number and percentages of nonmetropolitan population have MPA's above the median for all states ($5,220): Iowa, Kansas and Wisconsin.

- In terms of the percentage of state budget spent on public welfare (AFDC, AFDC-UP and GA) the Southern and Midwestern states rank lower -- usually in the bottom 25.

Table IV-15 STATES RANKED BY PERCENTAGE OF TOTAL POPULATION WHICH IS NONMETROPOLITAN SHOWING AVERAGE MONTHLY STATE AFDC EXPENDITURES

State	(1) % Non-metro (1976)	(2) Monthly AFDC Average Per Family (1977)	(3) Average per Recipient Per Month (1977)
Vermont	100%	$261.24	$ 83.28
Wyoming	100%	$195.02	$ 72.49
South Dakota	85%	$206.07	$ 69.25
Idaho	83%	$252.40	$ 87.21
North Dakota	77%	$223.00	$ 78.69
Montana	76%	$181.39	$ 64.02
Mississippi	74%	$ 47.30	$ 14.57
Maine	70%	$187.77	$ 62.33
New Mexico	67%	$149.78	$ 47.75
West Virginia	64%	$248.32	$ 84.57
Iowa	63%	$260.76	$ 87.60
Arkansas	62%	$134.09	$ 43.83
*Alaska	58%	$301.64	$113.46
Nebraska	55%	$203.22	$ 69.54
North Carolina	55%	$153.55	$ 55.77
Kansas	54%	$228.38	$ 85.14
Kentucky	54%	$164.49	$ 57.56
South Carolina	52%	$ 83.57	$ 28.55
New Hampshire	50%	$210.07	$ 72.15
Oklahoma	45%	$206.86	$ 66.91
Georgia	43%	$104.05	$ 36.93
Oregon	40%	$263.33	$ 93.70
Wisconsin	40%	$308.01	$104.71
Alabama	38%	$112.42	$ 37.12
Louisiana	38%	$121.75	$ 36.77
Missouri	37%	$155.16	$ 53.10
Tennessee	37%	$103.35	$ 36.37
Minnesota	36%	$280.04	$ 98.96
Virginia	34%	$190.88	$ 65.62
Indiana	32%	$177.54	$ 59.60
Delaware	31%	$206.68	$ 70.53
*Washington	27%	$284.17	$ 98.44
Arizona	25%	$141.57	$ 46.61
*Texas	22%	$104.69	$ 32.82
Utah	21%	$256.59	$ 87.22
Ohio	20%	$202.72	$ 67.66
Pennsylvania	20%	$276.52	$ 87.98
Colorado	19%	$274.97	$ 67.86
Hawaii	19%	$373.13	$116.21
Illinois	19%	$274.97	$ 82.07
Michigan	19%	$287.41	$ 90.85
Nevada	19%	$168.27	$ 60.62
Maryland	15%	$183.11	$ 63.20
Florida	14%	$144.16	$ 48.98
New York	11%	$378.51	$116.92
Rhode Island	9%	$254.55	$ 83.57
Connecticut	8%	$293.16	$ 95.47
New Jersey	8%	$270.70	$ 83.49
California	7%	$305.37	$101.92
*Massachusetts	3%	$304.20	$100.65
United States	27%	$241.98	$ 78.78

Source: (1) All AFDC data is from "Public Assistance Statistics, February 1977," Department of HEW, SSA - Office of Research & Statistics, August, 1977.

(2) Percentages of Nonmetropolitan population are from Bureau of the Census, U.S. Department of Commerce, "Current Population Reports", Series P-26, 1976, except for those indicated by an*, which are from Series P-25,1979.

TABLE IV- 16 MAXIMUM POTENTIAL BENEFITS IN AFDC CASH AND FOOD STAMP BONUSES (4-MEMBER FAMILIES) AND RANKING OF STATES AS TO NONMETROPOLITAN POPULATION

State	(1) Max. Potential AFDC & FS Benefits (1977)*	(2) FS Bonus Amount Under 1977 Food & Agric. Act	(3) AFDC Cash Only	(4) Population Ranking As To Nonmetropolitan Number/People	(5) Percent**
Alabama	$3,828	$2,052	$1,776	21	20
Alaska	$6,840	$2,040	$4,800	46	12
Arizona	$4,248	$1,872	$2,376	35	27
Arkansas	$4,164	$1,896	$2,268	22	11
California	$6,132	$1,052	$5,080	17	37
Colorado	$5,081	$1,511	$3,570	38	31
Connecticut	$6,324	$ 972	$5,352	44	36
Delaware	$4,992	$1,548	$3,444	47	25
Florida	$4,188	$1,896	$2,292	25	33
Georgia	$3,768	$2,076	$1,692	5	18
Hawaii	$7,848	$1,452	$6,396	48	31
Idaho	$5,472	$1,344	$4,128	32	3
Illinois	$5,244	$1,440	$3,804	6	31
Indiana	$4,884	$1,584	$3,300	14	24
Iowa	$5,676	$1,248	$4,428	10	10
Kansas	$5,640	$1,272	$4,368	23	14
Kentucky	$4,548	$1,728	$2,820	8	14
Louisiana	$3,960	$1,992	$1,968	20	21
Maine	$5,220	$1,452	$3,768	31	7
Maryland	$4,716	$1,668	$3,048	33	32
Massachusetts	$5,808	$1,188	$4,620	45	38
Michigan	$6,516	$ 888	$5,628	15	31
Minnesota	$5,976	$1,128	$4,848	19	22
Mississippi	$2,808	$2,088	$ 720	13	6
Missouri	$4,572	$1,728	$2,844	11	21
Montana	$4,968	$1,560	$3,408	36	5
Nebraska	$5,688	$1,248	$4,440	29	13
Nevada	$4,788	$1,632	$3,156	49	31
New Hampshire	$5,484	$1,332	$4,152	41	16
New Jersey	$5,568	$1,296	$4,272	37	36
New Mexico	$4,428	$1,788	$2,640	30	8
New York	$7,308	$ 552	$6,756	7	34
North Carolina	$4,260	$1,860	$2,400	1	13
North Dakota	$5,688	$1,248	$4,440	39	4
Ohio	$4,824	$1,620	$3,204	4	30
Oklahoma	$5,004	$1,536	$3,468	24	17
Oregon	$6,276	$ 996	$5,280	28	19
Pennsylvania	$5,712	$1,236	$4,476	3	30
Rhode Island	$5,760	$1,216	$4,544	50	35
South Carolina	$3,492	$2,088	$1,404	18	15
South Dakota	$5,376	$1,380	$3,996	34	2
Tennessee	$3,744	$2,076	$1,668	16	21
Texas	$3,756	$2,076	$1,680	2	28
Utah	$5,532	$1,308	$4,224	43	29
Vermont	$5,976	$1,116	$4,860	40	1
Virginia	$5,196	$1,464	$3,732	12	23
Washington	$6,072	$1,080	$4,992	27	26
West Virginia	$4,668	$1,680	$2,988	26	9
Wisconsin	$6,288	$ 984	$5,304	9	19
Wyoming	$4,848	$1,608	$3,240	42	1
Median (All States)	$5,220	$1,452	$3,768		

*U.S. Senate Committee on Finance, "Staff Data and Materials on Public Welfare." USGPO: Washington. April 1978.

**Percentile rankings are rounded, accounting for identical rankings for several states.

Table IV-17 25 STATES WITH MOST NONMETROPOLITAN POPULATION BY NUMBER AND PERCENTAGE, SHOWING MPA's FOR ANNUAL COMBINED AFDC AND FS BENEFITS AND AVERAGE MONTHLY PAYMENTS PER RECIPIENT - AFDC BENEFIT ONLY

State	(1) # Nonmetro (1976)	(2) MPA-FS and AFDC (1977)	(3) Average Monthly Payment per Recipient AFDC (Feb. 1977)
North Carolina	2,988,400	$ 4,260	$ 55.77
Texas	2,631,000	$ 3,756	$ 32.82
Pennsylvania	2,315,000	$ 5,712	$ 87.98
Ohio	2,151,000	$ 4,924	$ 67.66
Georgia	2,146,200	$ 3,768	$ 36.93
Illinois	2,099,300	$ 5,244	$ 82.07
New York	2,078,100	$ 7,308	$116.92
Kentucky	1,867,800	$ 4,548	$ 57.56
Wisconsin	1,838,700	$ 6,288	$104.71
Iowa	1,797,100	$ 5,676	$ 87.60
Missouri	1,744,800	$ 4,572	$ 53.10
Virginia	1,733,700	$ 5,196	$ 65.62
Mississippi	1,731,400	$ 2,808	$ 14.57
Indiana	1,705,300	$ 4,884	$ 59.60
Michigan	1,691,300	$ 6,516	$ 90.85
California	1,559,500	$ 6,132	$101.92
Tennessee	1,556,200	$ 3,744	$ 36.37
South Carolina	1,473,100	$ 3,492	$ 28.55
Minnesota	1,423,400	$ 5,976	$ 98.96
Louisiana	1,412,100	$ 3,960	$ 36.77
Alabama	1,398,600	$ 3,828	$ 37.12
Arkansas	1,299,600	$ 4,164	$ 43.83
Kansas	1,252,500	$ 5,640	$ 85.14
Oklahoma	1,238,200	$ 5,004	$ 66.91
Florida	1,178,500	$ 4,188	$ 48.98
	% Nonmetro		
Vermont	100%	$ 5,976	$ 83.28
Wyoming	100%	$ 4,848	$ 72.49
South Dakota	85%	$ 5,376	$ 69.25
Idaho	83%	$ 5,472	$ 87.21
North Dakota	77%	$ 5,688	$ 78.69
Montana	76%	$ 4,968	$ 64.02
Mississippi	74%	$ 2,808	$ 14.57
Maine	70%	$ 5,220	$ 62.33
New Mexico	67%	$ 4,428	$ 47.75
West Virginia	64%	$ 4,668	$ 84.57
Iowa	63%	$ 5,676	$ 87.60
Arkansas	62%	$ 4,164	$ 43.83
Alaska	58%	$ 6,840	$113.46
Nebraska	55%	$ 5,688	$ 68.54
North Carolina	55%	$ 4,260	$ 55.77
Kansas	54%	$ 5,640	$ 85.14
Kentucky	54%	$ 4,548	$ 57.56
South Carolina	52%	$ 3,492	$ 28.55
New Hampshire	50%	$ 5,484	$ 72.15
Oklahoma	45%	$ 5,004	$ 66.91
Georgia	43%	$ 3,768	$ 36.93
Oregon	40%	$ 6,276	$ 93.70
Wisconsin	40%	$ 6,288	$104.71
Alabama	38%	$ 3,828	$ 37.12
Louisiana	37%	$ 3,960	$ 36.77

Table IV-18 STATES RANKED BY PERCENT OF BUDGET SPENT ON PUBLIC WELFARE

States	(1) % of Budget For Public Welfare	(2) % Population in Poverty	(3) Ranking highest to lowest as to % Spent for Public Welfare
AVERAGE/ALL STATES	19.3	12.3%	N/A
Alabama	13.3%	16.3%	33
Alaska	5.0%	6.7%	50
*Arizona	5.5%	13.8%	48
*Arkansas	16.2%	18.5%	21
California	26.3%	10.4%	4
*Colorado	16.7%	9.1%	20
Connecticut	19.7%	6.7%	10
Delaware	11.1%	8.2%	39
*Florida	9.7%	14.4%	45
*Georgia	16.8%	18.0%	19
Hawaii	13.8%	7.9%	30
*Idaho	11.4%	10.3%	38
*Illinois	29.4%	10.5%	5
*Indiana	11.7%	8.1%	37
Iowa	15.2%	7.9%	26
Kansas	17.0%	8.0%	18
*Kentucky	17.2%	17.7%	16
*Louisiana	13.1%	19.3%	34
Maine	17.8%	12.0%	14
*Maryland	15.4%	7.7%	24
Massachusetts	29.1%	7.1%	1
*Michigan	27.7%	9.1%	2
*Minnesota	15.8%	8.3%	22
Mississippi	12.4%	26.1%	35
Missouri	17.7%	12.0%	15
Montana	10.1%	11.5%	42
*Nebraska	13.4%	9.6%	32
Nevada	9.8%	8.8%	44
New Hampshire	15.3%	7.9%	25
New Jersey	23.5%	8.1%	7
New Mexico	9.5%	19.3%	46
*New York	24.0%	9.4%	6
*North Carolina	10.5%	14.7%	40
North Dakota	8.9%	10.6%	47
*Ohio	18.9%	9.4%	12
*Oklahoma	18.1%	13.8%	13
*Oregon	17.1%	8.9%	17
*Pennsylvania	22.8%	9.7%	8
Rhode Island	26.4%	8.7%	3
*South Carolina	9.9%	17.2%	43
*South Dakota	14.3%	13.1%	29
*Tennessee	15.0%	15.8%	27
*Texas	15.5%	15.2%	23
Utah	10.3%	8.5%	41
*Vermont	19.3%	13.5%	11
*Virginia	13.5%	10.5%	31
Washington	14.7%	8.5%	28
West Virginia	11.8%	15.1%	36
*Wisconsin	20.4%	7.7%	9
Wyoming	5.1%	8.7%	49

* Indicates states used in project's survey.

For the states which have 32.4 percent or more of their residents classified as nonmetropolitan, Figures 5 and 6 show the percentage of nonmetropolitan population, and compare each state's maximum allowable payment in AFDC grants and combined AFDC grants and FS bonuses with the median for all states for those programs.

Figure 5 presents that information about the 25 states in which 83 percent of the nation's poor nonmetropolitan people reside. (See Map 3 for the 25 states.) The following findings are pertinent to this study:

- Fourteen of the 25 states are in the South; 8 are in the Midwest; and 3 are scattered -- California and New Mexico in the West and Pennsylvania in the North. The only Southern states not in that group of 25 are Delaware and Maryland.

- In 18 of the 25 states, 32 percent or more of the population is classified as nonmetropolitan. Twelve of those 18 states are in the South. The 2 Southern states with a nonmetropolitan population of less than 32 percent are Florida and Texas.

- The maximum payable amounts for the AFDC grant and for combined AFDC and FS benefits for a family of 4 are below the all-states median in 18 of the 25 states. Fourteen of those states are in the South. Indiana, Missouri, New Mexico, and Ohio are the only other states paying less than $3,768. Only 7 of the 25 states pay more than the median, and not one of them is in the South. (They are California, Illinois, Iowa, Michigan, Minnesota, Pennsylvania, and Wisconsin.)

- Among the 18 states in which 32 percent or more of the residents are nonmetropolitan, only 3 have MPA's above the median: Minnesota, Wisconsin and Iowa.

- The 18 states having lower than median AFDC and AFDC plus FS benefits have higher MPA's for Food Stamp bonuses than the median for all states ($1,452). (The last two columns in Figure 5 demonstrate the importance of the Food Stamp bonus to the poor in Southern states which pay lower than average cash AFDC benefits.)

FIGURE 5 THE 25 STATES WHICH HAVE 82.9 PERCENT OF THE NATION'S NONMETROPOLITAN POOR: PERCENTAGE OF NONMETROPOLITAN POPULATION AND BENEFITS COMPARED TO MEDIANS FOR ALL STATES FOR AFDC, AFDC PLUS FS, AND FS (1977)

State	(1) Percent of Nation's Poverty	(2) % Population Below 32%	(3) 32%-49%	(4) Nonmetro 50% and Above	(5) AFDC Median Below $3,768	(6) Above $3,768	(7) AFDC and FS Median Below $5,220	(8) Above $5,220	(9) Food Stamp Median Below $1,452	(10) Above $1,45
Alabama	3.47%		o		o		o			o
Arkansas	2.94%			o	o		o			o
California	2.84%	o				o		o	o	
Florida	4.36%	o			o		o			o
Georgia	5.90%		o		o		o			o
Illinois	1.74%	o				o		o	o	
Indiana	1.87%		o		o		o			o
Iowa	1.7 %			o		o		o	o	
Kentucky	4.49%			o	o		o			o
Louisiana	4.15%		o		o		o			o
Michigan	2.29%	o				o		o	o	
Minnesota	2.0 %		o			o		o	o	
Mississippi	5.41%			o	o		o			o
Missouri	2.84%		o		o		o			o
New Mexico	1.96%			o	o		o			o
North Carolina	5.56%			o	o		o			o
Ohio	2.93%	o			o		o			o
Oklahoma	2.37%		o		o		o			o
Pennsylvania	2.68%	o				o		o	o	
South Carolina	3.48%			o	o		o			o
Tennessee	3.74%		o		o		o			o
Texas	6.94%	o			o		o			o
Virginia	3.0 %		o		o		o			o
West Virginia	2.29%			o	o		o			o
Wisconsin	1.94%		o			o		o	o	
		7	10	8	18	7	18	7	7	18

In Figure 6, the 12 states having over 32 percent of their total population residing in nonmetropolitan areas are rated in the same way as the 25 states shown in Figure 5. (Those 25 states in Figure 5 have about 83 percent of the nation's nonmetropolitan poor.) The following findings are useful for the project's analysis of metropolitan and nonmetropolitan practices with regard to AFDC and FS programs:

- Except for Oregon, which has a 40 percent nonmetropolitan population, all states in Figure 6 have more than half of their residents in nonmetropolitan areas. They are Alaska, Idaho, Kansas, Maine, Montana, Nebraska, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming.

- Nine of the 12 states have higher than median MPA's: Alaska, Idaho, Kansas, Nebraska, New Hampshire, North Dakota, Oregon, South Dakota and Vermont. MPA's in Maine are the median amounts for all states.

- Only Montana and Wyoming have lower MPA's for AFDC grants and combined AFDC plus FS bonuses.*

Figure 6: TWELVE STATES WITH 32 PERCENT OR MORE NONMETROPOLITAN RESIDENTS (NOT IN THE HIGH-POVERTY 25): PERCENTAGE NONMETROPOLITAN, AFDC AND AFDC PLUS FS-MPA'S RELATIVE TO MEDIANS FOR ALL STATES (1977)

States	Percent of Nonmetropolitan Population		AFDC Median MPA - $3,768		AFDC and FS Median - $5,220		Food Stamp Median - $1,452	
	32% through 49%	50% and More	Below	Above	Below	Above	Below	Above
Alaska		o		o		o		o
Idaho		o		o		o	o	
Kansas		o		o		o	o	
Maine		o	($3,768)		($5,220)		($1,452)	
Montana		o	o		o			o
Nebraska		o		o		o	o	
New Hampshire		o		o		o	o	
North Dakota		o		o		o	o	
Oregon	o			o		o	o	
South Dakota		o		o		o	o	
Vermont		o		o		o	o	
Wyoming		o	o		o			o
	1	11	2	9	2	9	8	3

*It should be noted that when a state pays more than the median for all states in AFDC cash grants, the FS benefit is naturally lower, because when income from any source is higher, the FS bonus declines. That explains the lower FS bonuses in 8 of the states which pay higher AFDC benefits.

A summary of Figures 5 and 6 provides the following information and insights:

- Thirty states in all have 32 percent or more nonmetropolitan residents.

- Of those 30 states, 13 have MPA's for AFDC grants and FS bonuses that are higher than the median for all states. But only 3 of the 13 are among the 25 with 83 percent of the nation's nonmetropolitan poor people.

- Eighteen of the 25 largely Southern and Midwestern states in which 83 percent of the Nation's nonmetropolitan poor live have set the maximum potential benefits for combined AFDC grants and Food Stamp bonuses at rates lower than the median for all states for those programs.

RURAL AND URBAN COMPARISONS IN SELECTED COUNTIES AND STATES (IN SOME CASES, ALL STATES

We move ahead now to a discussion of specific findings about the public assistance system in the 52 target counties. Included are discussions of AFDC, AFDC-UF, SSI, FS, and GA. In general, the findings are concerned with program benefits and standards, participation by the target populations, and the nature of state and local government involvement.

AID TO FAMILIES WITH DEPENDENT CHILDREN - AFDC*

Summary of Findings in Selected Counties and States

o There is great variance among the 27 states in the special survey in Maximum Payable Amounts (MPA's), ranging from a low of $117 in South Carolina to a high of $476 in New York - which is more than four times greater.

o Of the 10 states in the study having the lowest MPA's, 9 are in the South: South Carolina, Tennessee, Texas, Arkansas, Georgia, Louisiana, Florida, North Carolina and Kentucky. (Arizona is in the Western region.)

o Eight of those 9 Southern states have the most poor nonmetropolitan husband-wife households. South Carolina is the exception.

o Of those 10 states having the lowest MPA's, only 4 rank among the top 10 states in number of residents that are nonmetropolitan. All 10, however, have significant rural populations in terms of both absolute numbers and percentages.

o The average difference in actual payments per recipient between urban and rural counties in the 52-County survey is 7 percent, or $4.87 per month, in the urban counties' favor.

o In New York and South Dakota, average payments to nonmetropolitan recipients are about 25 percent less than those in urban areas; in 9 additional states the disadvantage for rural people is 10 percent or greater.

o With the exception of Nebraska, the range of differences in payments, where comparisons can be measured within a single state, is from a 5 percent advantage for rural areas in Tennessee to a 24.7 percent disadvantage for them in New York.

o Average payments to individuals in rural areas, with the exception of being almost always less than those in urban areas, do not show much uniformity among the states. For example, in rural subregion 7 (Minnesota) the average payment per recipient ($89.72) is roughly three-and-a-half times greater than subregion 13's (South Carolina) rural payment ($25.52). The largest discrepancies, however, are between well-paying urban counties and low-benefit rural counties.

o Urban differences, as well, exhibit great disparity throughout the country. The highest paying urban subregion, 3 (New York), pays almost four-times the amount of the lowest urban surbregion, 13 (South Carolina).

o Thirty-six states have some proportion of their AFDC recipients not counted as members of poor female-headed families. The range is from a low of 5.0 percent in Montana, to a high of 53.7 percent in Hawaii. In most states roughly a third of the total AFDC recipients are not counted in the poor population for families of that type.

o Fourteen states, primarily in the South and Southwest, had greater numbers of persons in poor female-headed families than persons in the AFDC recipient population. The percentage of all poor persons in female-headed families receiving AFDC in 1975 in those 14 states ranges from a low of 63.5 percent in Texas to a high of 97.2 percent in Idaho. In most of those states, roughly 90 percent of all poor persons in female-headed families were receiving AFDC benefits in 1975.

*The AFDC program provides cash grants to poor families with children; families in which one parent, usually the father, is absent from the home. In addition, families with an "incapacitated" father present may receive benefits.

Federal-Matching-Rates

The federal government provides grant-in-aid matching monies to states for expenditures in the AFDC program. The amount of federal matching for AFDC benefits varies from state to state under a formula that provides greater matching to states with lower per capita incomes. Thus, those states which have high per capita incomes receive the minimum federal match of 50 percent, while poorer states receive a higher rate. For example, Mississippi receives a match of 83 percent, currently the highest in the nation.

The intent of the flexible federal matching rate policy is to create greater equity between poorer and richer states -- equity as to relative ability to finance programs and in benefit payments. A higher federal matching rate, however, only indicates that the federal government bears a proportionately greater share of the state's cost for AFDC benefits. It does not guarantee more money to either the state or recipients, proportionate to their AFDC population, than states with a lower matching rate. It is not the federal matching rate that controls the amount of benefit payments. Rather, the controlling factors are two determinants set by each state: the standard of need and the percentage of that need met by the state as the Maximum Payable Amount (MPA).

The 52 counties in this study lie within 27 states, 5 of which in 1977 had the lowest available federal match of 50 percent, and by inference, the highest state per capita incomes in this group. As Table IV-19 illustrates those states also had relatively low percentages of nonmetropolitan residents.

Conversely, the 4 states of the 27 with the highest matching rates, indicating low per-capita incomes, had larger percentages of nonmetropolitan residents in their total state population, as shown in Table IV-19.

Table IV-19 FEDERAL MATCHING RATES FOR AFDC

Economic Subregion	State	Federal Match (1977)	% of State Pop. Nonmetro (1976)	Per Capita Income (1976)
2	Maryland	50%	15%	$7,036
3	New York	50%	11%	$7,100
4	Ohio	50%	20%	$6,432
6	Michigan (urban portion)	50%	19%	$6,994
9	Illinois	50%	19%	$7,432
10	Tennessee	72%	37%	$5,432
15	Georgia	72%	43%	$5,571
20	Arkansas	75%	62%	$5,073
13	South Carolina	76%	52%	$5,126

Need Standards, Percentage of Need Met and Maximum Payable Amounts.

Each state decides for its AFDC population the theoretical minimum a family of a given size must have per month to meet basic living expenses. This standard of assistance (need standard) is the basis of eligibility for cash grants within a state and for the computation of benefits for those who are eligible to secure aid. Most states do not pay this full need standard. Instead, they reduce payments through a variety of devices, such as paying only a certain percentage of the difference between a family's income and the need standard, or paying full amounts to smaller, but not larger, families. In the end, the state

budget for AFDC and related programs plays a central role. The methods of reducing payment levels are almost as varied as the benefit payments themselves. The result of those calculations is a maximum payable amount (MPA), or, more properly, a theoretical maximum potential benefit to a hypothetical AFDC family. (Most reporting is based on state MPA's for AFDC families of 4, no husband present.) Although this rather artificial MPA, both including and excluding Food Stamp (FS) bonuses, has obvious limitations, it provides for analytical purposes a revealing basis for comparisons among states.

Table IV-20 illustrates national variations in Need Standards, percent of need net, and benefits among the 27 states in the study. Findings include the following items:

- There is great variance in the amounts of MPA's, ranging from a low of $117 in South Carolina to a high of $476 in New York, which is more than 4 times larger.

- In comparing payments among the states, it is necessary to take into account both the need standard and the percent of that standard which is actually paid. For example, Arkansas' need standard ($290) is more generous than Kentucky's ($235); but Arkansas pays only 48 percent of that need standard, whereas Kentucky pays 100 percent of the amount of established need. The result is a maximum potential benefit of $95 more in Kentucky.

- Of the 10 states in the study* having the lowest MPA's, 9 are in the South: South Carolina, Tennessee, Texas, Arkansas, Georgia, Louisiana, Florida, North Carolina and Kentucky. (Arizona is in the Western region.)

- Eight of those 9 Southern states have the most poor nonmetropolitan husband-wife households. The exception is South Carolina. (See Tables IV-8 and IV-9.)

- Of those 10 states, only 4 rank among the top 10 states by number of residents that are nonmetropolitan: North Carolina (1st), Texas (2nd), Georgia (5th) and Kentucky (8th). All 10, however, have significant rural populations in terms of both absolute numbers and percentages (Tables IV-16 and IV-17).

Those interstate variations in MPA's and Need Standards, percent of need met and benefits, while providing a framework for a discussion on payment variations, give little information on the variability of actual payments within a state or region, by urban and rural residency. For example, we know from state comparisons that, in terms of absolute dollar amounts in cash benefits, all AFDC recipients are worse off in South Carolina than in New York. But that information does not tell us to what extent the rural poor in either state are benefitted, in contrast to their urban counterparts. An examination of rural and urban counties in each of the 26 subregions, in terms of average payments to recipients and families, is intended to provide some useful comparisons.

*This ranking has been limited to the 27 states which are the focus of our study. This same information is readily available on all states.

Table IV-20 THE 27 STUDY-STATES RANKED FROM LOWEST TO HIGHEST IN MPA FOR AFDC

State	(1) MPA/ AFDC	(2) Need Standard	(3) % Need Met	(4) Maximum Payment: AFDC & FS
South Carolina	$117	$217	54%	$255
Tennessee	$132	$217	61%	$264
Texas	$140	$187	75%	$269
Arkansas	$140	$290	48%	$269
Georgia	$148	$227	65%	$277
Louisiana	$158	$204	78%	$283
Florida	$170	$230	74%	$289
Arizona	$198	$282	70%	$311
North Carolina	$200	$200	100%	$313
Kentucky	$235	$235	100%	$336
Maryland	$242	$314	77%	$343
Indiana	$250	$363	69%	$345
Ohio	$254	$431	59%	$349
Colorado	$276	$276	100%	$365
Oklahoma	$284	$284	100%	$373
Nebraska	$294	$330	89%	$377
Virginia	$311	$346	90%	$388
Illinois	$317	$317	100%	$394
South Dakota	$333	$333	100%	$404
Idaho	$344	$395	87%	$415
Pennsylvania	$373	$373	100%	$435
Vermont	$379	$519	73%	$441
Minnesota	$385	$385	100%	$447
Wisconsin	$424	$466	91%	$468
Oregon	$433	$475	91%	$477
Michigan	$453	$453	100%	$488
New York	$476	$476	100%	$511

Variations in AFDC Cash Benefits in 52 Nonmetropolitan and Metropolitan Counties

As noted earlier, the differences in basic AFDC payments among the states are a widely recognized fact. Less attention has been paid to variations within states and subregions of the nation. This study of the 52 rural and urban counties documents samples of those differences within important subregions of the country that have some economic and social homogeneity, as well as the differences between rural and urban counties within states and among the 26 subregions.

In general, findings show that rural recipients of AFDC benefits in the project's sample counties, with few exceptions, receive less cash than do urban beneficiaries. Further, although the actual amounts of differences between rural and urban counties within states involved are small, the proportionate difference between urban and rural grants may be significant. For example, a $3.79 rural and urban difference per recipient in South Carolina (subregion 13) represents 13 percent of the rural recipients' payment.

Table IV-21 presents a ranking from lowest-to-highest payments in rural counties and shows payments in their urban counterparts. The ranking and comparisons are based on average payments per AFDC recipient within that county for February, 1977. Average payments to families are also given; but it should be noted that these sums do not reflect individual differences in family size or composition and, therefore, are imprecise indicators of average amounts. Further, the degree of labor force involvement of some of these families is not reflected in the averages.

Columns (5) and (6) of Table IV-21 present the average size of recipient families for the rural and urban counties, and differences in family sizes between the rural and urban counties. The differences are almost evenly distributed: 12 urban counties have on the average larger families than their rural counterparts; conversely 13 rural counties have larger average families than do their urban counterparts; and in one subregion there is no difference in the family sizes of recipients. Further, those differences are relatively small for individual county comparisons, but an average for all counties indicates that urban recipients have larger families. Thus, lower payments per recipient in rural counties do not appear to be a reflection of larger family size and proportionately smaller payments per recipient.

Another factor affecting payment amounts is work involvement. It is difficult to determine the extent to which earned income is a factor in recipient payment amounts on a rural and urban basis, for the percentages in Column (7) are statewide estimates which are based on a relatively small sample*. Nevertheless those figures do provide some indication by state of the extent to which payment amounts may be affected by earnings.

Since family size seems not to be a major factor in the payment differences between urban and rural counties, the differences may be due to the fact that 11 states**, nationally, have intrastate payment variations based on differences in shelter costs throughout the state. Two states (Rhode

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*This data is based on a limited sample size of 51 for the reporting period July-December 1975, and is taken from "A Public Assistance Data Book" by Toby H. Campbell and Marc Bendick, Jr., published by Urban Institute. Washington, DC, October 1977, pp. 25-27.

**These were regional cost standards in 1976: Connecticut, $405, $349, $340; Illinois, $317, $300, $267; Kansas, $364, $315, $306, $295; Louisiana, $203, $187; Michigan, $453 (Washtenaw County — Ann Arbor); $428, $418, $408; (Wayne County — Detroit), $398, $378; Pennsylvania, $373, $360, $349, $330; Vermont, $519, $499; Virginia, $346, $293, $272; Washington, $385, $362; Wisconsin, $424, $411, $394, $390. Maximum standard for New York City was $476.

Island and Colorado) consider seasonal variations in payment amounts, and one state (Maryland) supplements the state grant amount in 3 of its 24 counties.

There is some question regarding the validity of variations in regional payments based on the cost of living. Appendix D presents a brief summary of considerations involved in this issue and is included for its importance to the future of public assistance policy.

Some of the findings, as shown in Table IV-21, are as follows:

- The average difference per recipient between rural and urban payments is 7 percent or $4.87 per month, in the urban counties' favor.

- In New York and South Dakota, average payments to nonmetropolitan recipients are about 25 percent less than those in urban areas; in 9 additional states the disadvantage for rural people is 10 percent or greater.

- With the exception of Nebraska, the range of differences in payments, where comparisons can be measured within a single state, is from a 5 percent advantage for rural areas in Tennessee to a 24.7 percent disadvantage for them in New York.

- Average payments to individuals in rural areas, with the exception of being almost always less than those in urban areas, do not show much uniformity among the states. For example, in rural subregion 7 (Minnesota) the average payment per recipient ($89.72) is roughly three and a half times greater than subregion 13's (South Carolina) rural payment ($25.52). The largest discrepancies, however, are between high benefit urban counties and low-benefit rural counties.

- Urban differences, as well, exhibit great disparity throughout the country. The highest-paying urban subregion - 3 (New York), pays almost 4 times the amount of the lowest urban subregion - 13 (South Carolina).

- In only 3 subregions (numbers 8, 10 and 19) do average payments to rural individuals outweigh urban benefits. And in subregion 19 (Oklahoma & Texas) this difference is largely attributable to the far lower overall payment standard in Texas where the urban county lies.

- It is also valid to note that, of the 10 lowest-paying counties, all are within 9 of the lowest-paying states in terms of maximum payable amounts to a family of 4.

The documentation in Table IV-21 highlights the inequities of the system of cash grant assistance to families with children -- a system that treats people in similar circumstances differently, based on place of residence. The examination of the 52 counties is further documentation of the low benefits to families in many states and especially in rural areas.

Participation in AFDC Programs

It is pertinent to examine not only the level of AFDC cash benefits that rural poor residents receive, but also the extent to which they participate in the programs in proportion to the eligible population and in comparison with the urban poor.

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Table IV-21 AVERAGE PAYMENTS PER MONTH TO FAMILIES AND PER RECIPIENT (AFDC), RANKED BY LOWEST-TO-HIGHEST-PAYING RURAL COUNTIES (1), and (2) SHOWING URBAN COUNTERPARTS - FEBRUARY 1977

States and Economic Subregions	Category	(1) Average Payment Rural	(2) Average Payment Urban	(3) Difference Dollars	(4) Difference + = Lgr.Rural - = Lgr.Urban Percent	(5) Average Family Size	(6) Difference Bet. Average Family Sizes: + = Lgr.Rural - = Lgr.Urban	(7) Est. % Statewide of AFDC Cases W/Earned Income July-December 1975
South Carolina 13	Per Recipient	$ 25.52	$ 29.31	$ 3.79	-13. %	(R)3.26	+ .35	11.7%
	Family	$ 83.42	$ 85.60			(U)2.91		
Texas 21	Per Recipient	$ 30.02	$ 32.94	$ 2.92	- 9. %	(R)3.38	No Difference	13.6%
	Family	$101.53	$111.44			(U)3.38		
Georgia 15	Per Recipient	$ 31.53	$ 34.47	$ 2.94	- 9. %	(R)3.09	+ .23	25.8%
	Family	$ 97.50	$ 98.72			(U)2.86		
*Louisiana 16	Per Recipient	$ 33.93	$ 33.95	$ .02	- .06%	(R)3.25	- .15	12.4%
	Family	$110.52	$115.51			(U)3.40		
Tennessee 10	Per Recipient	$ 37.98	$ 36.42	$ 1.56	+ 5. %	(R)2.50	- .43	16.5%
	Family	$ 95.21	$106.96			(U)2.93		
Arizona 26	Per Recipient	$ 38.01	$ 48.04	$10.03	-21. %	(R)3.07	+ .09	13.0%
	Family	$116.70	$143.60			(U)2.98		
Arkansas 20	Per Recipient	$ 41.15	$ 44.89	$ 3.74	- 9. %	(R)3.23	- .91	20.4%
	Family	$133.28	$185.00			(U)4.14		
Florida 17	Per Recipient	$ 43.27	$ 47.65	$ 4.38	- 9.2%	(R)2.91	- .02	19.8%
	Family	$126.27	$140.04			(U)2.93		
Florida 18	Per Recipient	$ 44.00	$ 46.45	$ 2.45	- 5.3%	(R)3.34	+ .35	19.8%
	Family	$146.98	$139.15			(U)2.99		
North Carolina 14	Per Recipient	$ 51.62	$ 54.43	$ 2.81	- 5.2%	(R)2.95	+ .07	13.0%
	Family	$152.51	$157.11			(U)2.88		
Indiana 5	Per Recipient	$ 52.58	$ 58.41	$ 5.83	-10. %	(R)3.15	- .03	17.3%
	Family	$165.65	$185.77			(U)3.18		
Kentucky 11	Per Recipient	$ 53.67	$ 58.41	$ 4.74	- 8.1%	(R)3.44	+ .52	10.3%
	Family	$184.76	$171.00			(U)2.92		
*Maryland 2	Per Recipient	$ 54.79	$ 61.11	$ 6.32	-10.3%	(R)2.54	- .34	15.1%
	Family	$139.41	$176.19			(U)2.88		

Table IV-21 (Continued)

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
South Dakota	Per Recipient	$ 57.72	$ 76.20	$18.48	-24.2%	(R)3.14	+ .13	22.4%
23	Family	$181.49	$229.61			(U)3.01		
Ohio/ 4	Per Recipient	$ 63.61(OH)	$ 83.45(PA)	$19.84	-23.8%	(R)3.30	- .12	(OH) 7.7%
Pennsylvania	Family	$210.32	$285.74			(U)3.42		(PA)12.8%
Illinois	Per Recipient	$ 64.06	$ 75.76	$11.70	-15. %	(R)2.97	- .23	9.7%
9	Family	$190.41	$242.95			(U)3.20		
Colorado	Per Recipient	$ 64.73	$ 71.37	$ 6.64	-10. %	(R)3.03	+ .20	14.3%
22	Family	$196.69	$202.69			(U)2.83		
Texas/	Per Recipient	$ 65.48(OK)	$ 32.00(TX)	$33.48	+51.1%	(R)2.71	- .44	(OK) 9.3%
Oklahoma 19	Family	$178.07	$101.14			(U)3.15		(TX)13.6%
Virginia	Per Recipient	$ 66.77	$ 70.43	$ 3.66	- 5.2%	(R)3.14	+ .29	14.6%
12	Family	$209.85	$184.00			(U)2.85		
Vermont	Per Recipient	$ 69.06	$ 79.76	$10.70	-13.4%	(R)3.68	+ .35	18.6%
1	Family	$254.14	$265.72			(U)3.33		
Oregon	Per Recipient	$ 73.77	$ 90.59	$16.82	-18.6%	(R)2.63	- .34	16.0%
25	Family	$194.14	$269.50			(U)2.97		
Nebraska	Per Recipient	$ 81.60	$ 70.67	$10.93	+13.4%	(R)2.35	- .51	29.8%
8	Family	$192.35	$202.63			(U)2.86		
New York	Per Recipient	$ 82.27	$109.21	$26.94	-24.7%	(R)3.61	+ .38	10.3%
3	Family	$297.18	$353.44			(U)3.23		
Wisconsin/	Per Recipient	$ 86.81(WI)	$ 88.66(MI)	$ 1.85	- 2.1%	(R)3.02	+ .14	(WI)22.8%
Michigan 6	Family	$262.60	$256.03			(U)2.88		(MI)12.9%
Idaho	Per Recipient	$ 88.42	$ 89.21	$ .79	- .9%	(R)2.90	+ .10	19.2%
24	Family	$256.43	$250.62			(U)2.80		
Minnesota	Per Recipient	$ 89.72	$ 95.04	$ 5.32	- 5.6%	(R)2.68	- .27	25.2%
7	Family	$240.61	$280.83			(U)2.95		

*Indicates states with differing regional cost standards or seasonal variations in payment amounts.

Nationally, the AFDC caseload is predominantly urban and benefits accrue to urban AFDC recipients in disproportion to the percentage of all metropolitan female heads of families that are poor. In 1975, 78.7 percent of all AFDC recipients were in urban areas, while only 70.8 percent of all poor female-headed families were located in urban areas, indicating an urban participation that is slightly higher than the poverty rate. The higher participation in urban areas is no doubt indicative of higher benefit levels that enabled pre-transfer poor female-headed families to rise above the poverty line after receipt of assistance. Nonmetropolitan poor female-headed families, however, comprise 29.1 percent of the total poor female-headed families, but only 20.9 percent of all AFDC recipients. That reflects a lower participation than categorical eligibility and need would indicate. In addition the low benefit levels found in many states with large concentrations of the rural poor create lower ceilings on income allowable for eligibility. Thus fewer needy categorically eligible families are able to participate. That broad comparison of AFDC participation in metropolitan and nonmetropolitan areas, however, tends to conceal the true dimensions of the inequities, which are evident from the following findings in Table IV-22.

- In 1975, 36 states had an excess of persons in AFDC families who were not counted as members of the poor population (defined as poor persons in female-headed families* with no husband present) for the same year. For example, Pennsylvania in 1975 had 426,000 poor persons in female-headed families. Pennsylvania's AFDC recipient population for the period July-December 1975 averaged 612,267 persons. Thus, 186,267 persons in AFDC families, or 30.4 percent of all recipients, were not counted as members of the characteristically similar poor population. (The 27 states in Table IV-22 indicated by a double asterisk offer AFDC-UF: but the number of persons in the AFDC recipient population is exclusive of persons in UF recipient families.)

- The percentage of a state's total AFDC recipients not counted as members of poor female-headed families ranges from a low of 5.0 percent in Montana to a high of 53.7 percent in Hawaii. In most states, roughly one-third of the total AFDC recipients are not counted in the poor population for families of that type.

- Fourteen states, primarily in the South and Southwest, had greater numbers of persons in poor female-headed families than persons in the AFDC recipient population (1975). For example, Texas had 572,000 persons in poor female-headed families but only 363,650 persons in families receiving AFDC. Therefore, 208,350 persons in poor female-headed families were not counted among persons in the AFDC recipient population, with 63.5 percent of all poor persons in female-headed households receiving AFDC benefits. Only one of those 14 states (Utah) offers an AFDC-UF program.

- The percentage of all poor persons in female-headed families receiving AFDC in 1975 in those 14 states ranges from a low of 63.5 percent in Texas to a high of 97.2 percent in Idaho. In most of those 14 states, roughly 90 percent of all poor persons in female-headed households were receiving AFDC benefits in 1975.

Table IV-23 offers a means of assessing the relative success, in comparison with other states, of program participation and benefit levels as factors in reducing the number of female-headed families in poverty. For those 36 states

*Throughout this section, poor "female-headed" families refers to those families with a female head and no husband present.

with greater numbers in AFDC families than in poor female-headed families, one could assume that, theoretically, all poor persons in female-headed families were receiving AFDC benefits and that, in addition, a proportion of all recipients were lifted above the poverty threshold. Statistically, the reporting indicates perhaps that 100 percent of those eligible were participating and that an additional number of recipients who were participating were not counted as poor.

Those recipients not counted as poor could reflect the interplay of a number of factors, including: relatively higher benefits which lift some families above the poverty level; a higher percentage of cases with earned income, causing some with a combination of work and welfare incomes to exceed the poverty threshold; and the presence of unearned other income accruing to the household, such as child support payments or alimony.

That analysis indicates that, theoretically, those states are serving all the eligible population. That is not to say that every individually eligible case as determined by need and status is receiving benefits. However, the tables do provide a relative indicator among states as to the numbers of those participating in relation to the numbers of all poor in a comparable category. Based on that criterion, therefore, those 36 states would appear to be quite successful in terms of program participation and, to some extent, in terms of reducing the number of female-headed families in poverty.

As noted earlier, 14 states have fewer persons in AFDC recipient families than persons in poor female-headed families. One could assume that, theoretically, not all needy characteristically eligible families are participating in the AFDC program and that none of those participating are lifted out of poverty. Thus, those states which have less than 100 percent of all those eligible as participants are, by this analysis, less successful in terms of program participation and in terms of reducing the number of female-headed families in poverty.

Section A of Table IV-23 ranks 36 states from highest to lowest by percent of persons in female-headed families not counted in poor populations; Section B ranks the remaining 14 states from highest to lowest by percent of persons in poor female-headed families participating in AFDC. In addition, Table IV-23 shows the percentage of a state population which is nonmetropolitan, and an estimated percentage of the AFDC caseload which has earned income*.

As is obvious from this ranking, the degree of a state's rurality itself is not a determining factor in varying participation and benefit levels. States at either end of the spectrum have both high and low percentages of the population in nonmetropolitan areas. Although rurality cannot be viewed as the cause of lower participation and benefit levels, there is a strong correlation between highly rural states and the indicators of relatively lower participation. Of those states in the lower half of the ranking (Connecticut through Texas) 17 have more than a third of their entire population in nonmetropolitan areas.

The extent to which earned income from work involvement serves to lift those participating in AFDC above the poverty line is quite difficult to determine. Little information is available regarding the amount of earned income a recipient may receive in proportion to the benefit. However, the national average percent of all AFDC cases with earned income is 18.6 percent, and it is worth noting that only seven states in the lower half of the ranking in Table IV-23 exceed the average, while 12 states in the upper half of the ranking are in excess of that average. Of the 20 states exceeding that average (18.6 percent), 16 have a significant percentage of rural population (i.e., 32 percent or more).

*This data is based on a limited sample size of 51 for the reporting period July-December 1975, and is drawn from "A Public Assistance Data Book." Toby H. Campbell and Marc Bendick, Jr. Published by Urban Irstitute, Washington, DC. October 1977 pp. 25-27.

TABLE IV-22 AFDC RECIPIENTS (JULY-DECEMBER 1975): NUMBERS AND PERCENTAGES OF POOR PERSONS IN FEMALE-HEADED FAMILIES (1975) IN AFDC RECIPIENT POPULATION - ALL STATES

State	(1) No. of Poor Persons*	(2) No. of Persons Rec. AFDC	(3) No. of Persons Not Counted Poor in AFDC Recip. Pop.	(4) No. of Poor Persons Not in AFDC Recip. Pop.	(5) % of Persons Not Counted Poor in AFDC Recip. Pop.	(6) % of Poor Persons in AFDC Recip. Pop.
Alabama	180,000	166,733		13,267		92.6%
Alaska	6,000	10,641	4,641		43.6%	
Arizona	106,000	67,924		38,076		64.0%
Arkansas	77,000	106,699	29,699		27.8%	
**California	765,000	1,210,644	445,644		36.8%	
**Colorado	62,000	92,443	30,443		32.9%	
**Connecticut	101,000	129,429	28,429		21.9%	
**Delaware	21,000	31,170	10,170		32.6%	
Florida	383,000	247,913		135,087		64.7%
Georgia	318,000	335,232	17,232		5.1%	
**Hawaii	23,000	49,722	26,722		53.7%	
Idaho	20,000	19,443		557		97.2%
**Illinois	577,000	739,672	162,672		21.9%	
Indiana	127,000	167,043	40,043		23.9%	
**Iowa	46,000	92,198	46,198		50.1%	
**Kansas	51,000	70,836	19,836		28. %	
**Kentucky	124,000	172,256	48,256		28. %	
Louisiana	256,000	230,085		25,915		89.8%
Maine	34,000	72,278	38,278		52.9%	
**Maryland	143,000	207,099	64,099		30.9%	
**Massachusetts	199,000	331,578	132,578		39.9%	
**Michigan	357,000	570,614	213,614		37.4%	
**Minnesota	74,000	122,032	48,032		39.3%	

Table IV-22 (Continued)

State	(1)	(2)	(3)	(4)	(5)	(6)
Mississippi	207,000	181,741		25,259		87.7%
**Missouri	161,000	272,760	111,760		40.9%	
**Montana	18,000	18,965	965		5.0%	
**Nebraska	32,000	36,665	4,665		12.7%	
Nevada	19,000	15,164		3,836		79.8%
New Hampshire	23,000	27,103	4,103		15.1%	
**New Jersey	275,000	444,886	169,886		38.1%	
New Mexico	65,000	60,298		4,702		92.7%
**New York	753,000	1,176,382	423,382		35.9%	
North Carolina	235,000	192,116		42,884		81.7%
North Dakota	9,000	13,626	4,626		33.9%	
**Ohio	346,000	483,071	137,071		28.3%	
Oklahoma	83,000	91,789	8,789		9.5%	
**Oregon	55,000	89,507	34,507		38.5%	
**Pennsylvania	426,000	612,267	186,267		30.4%	
**Rhode Island	32,000	50,603	18,603		36.7%	
South Carolina	152,000	138,629		13,371		91.2%
South Dakota	15,000	24,708	9,708		39.2%	
Tennessee	226,000	206,262		19,738		91.2%
Texas	572,000	363,650		208,350		63.5%
**Utah	36,000	32,338		3,662		89.8%
**Vermont	15,000	16,926	1,926		11.3%	
Virginia	154,000	179,130	25,130		14.0%	
**Washington	107,000	121,457	14,457		11.9%	
**West Virginia	64,000	67,837	3,837		5.6%	
**Wisconsin	99,000	153,993	54,993		35.7%	
Wyoming	7,000	6,513		487		93.7%

*Estimates of the poverty population are based only on those poor persons in female-headed families (no husband present) 1975.
**States which offer AFDC-UF.

Table IV-23 RANKINGS OF ALL STATES: AFDC PARTICIPATION

Section A: Ranking of 36 states by Percentage of AFDC Recipients not counted as Persons in Poor Female-Headed Families, No Husband Present (1975)

State	% of AFDC Recipients not Counted as Poor	% of State Population which is Nonmetro (1976)	Estimated % of AFDC cases with Earned income-(July - Dec. 1975)
Hawaii	53.7%	19%	19.0%
Maine	52.9%	70%	29.9%
Iowa	50.10%	63%	29.8%
Alaska	43.6%	58%	13.9%
Missouri	40.9%	37%	34.8%
Massachusetts	39.9%	3%	14.0%
Minnesota	39.3%	36%	25.2%
South Dakota	39.2%	85%	22.4%
Oregon	38.5%	40%	16.0%
New Jersey	38.1%	8%	16.1%
Michigan	37.4%	19%	12.9%
California	36.8%	7%	18.8%
Rhode Island	36.7%	9%	18.1%
New York	35.9%	11%	10.3%
Wisconsin	35.7%	40%	22.8%
North Dakota	33.9%	77%	29.7%
Colorado	32.9%	19%	14.3%
Delaware	32.6%	31%	19.1%
Maryland	30.9%	15%	15.1%
Pennsylvania	30.4%	20%	12.8%
Ohio	28.3%	20%	7.7%
*Kansas	28.0%	54%	22.4%
*Kentucky	28.0%	54%	10.3%
Arkansas	27.8%	62%	20.4%
Indiana	23.9%	32%	17.3%
*Connecticut	21.9%	8%	13.9%
*Illinois	21.9%	19%	9.7%
New Hampshire	15.1%	50%	27.6%
Virgnia	14.%	34%	14.6%
Nebraska	12.7%	55%	29.8%
Washington	11.9%	27%	13.7%
Vermont	11.3%	100%	18.6%
Oklahoma	9.5%	45%	9.3%
West Virginia	5.6%	64%	6.3%
Georgia	5.1%	43%	25.8%
Montana	5.0%	76%	14.9%

Section B: Ranking of 14 states by Percentage of Persons in Poor Female-Headed Families, No Husband Present, in AFDC Recipient Population (1975)

	% of Poor in AFDC Recipient Population		
Idaho	97.2%	83%	19.2%
Wyoming	93.7%	100%	20.9%
New Mexico	92.7%	50%	7.5%
Alabama	92.6%	38%	12.0%
*South Carolina	91.2%	52%	11.7%
*Tennessee	91.2%	37%	16.5%
*Louisiana	89.8	37%	12.4%
*Utah	89.8%	21%	12.9%
Mississippi	87.7%	74%	25.9%
North Carolina	81.7%	55%	13.0%
Nevada	79.8%	19%	18.2%
Florida	64.7%	14%	19.8%
Arizona	64.0%	25%	13.0%
Texas	63.5%	22%	13.6%

*Indicates the estimated ranking is identical.

Tables IV-22 and IV-23, which provide indications of differences among states, are not useful for assessing differences between urban and rural areas within a state. Table IV-24 provides some comparisons between counties within states, based on the 52 sample counties. Due to limitations in data available at the county level*, however, the figures are not intended as currently accurate reflections, but rather measurements of the differences among counties when the same set of measurements are applied.

The following findings are evident from Table IV-24 of this portion.

- Only five rural counties (in Kentucky, South Carolina, Louisiana, Colorado and Arizona) had larger percentages of AFDC recipients than the urban counties relative to the number of all poor families and poor persons in the county.

- Overall, and with few exceptions, the percentage of AFDC recipients relative to poverty indicators is lower in more rural than urban areas. However, AFDC recipients as a percentage of the total county population are, in the majority of cases, a higher proportion of the population in rural counties than in urban counties. That may reflect the fact that rural counties have a much smaller population base.

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*The most recent county level poverty data is available only from the 1970 Census for the year 1969. Further, the data in Table IV-24 details only families and persons in poverty, not specific types of families, such as male- or female-headed. Therefore, when AFDC recipients are shown as a percentage of either all families or of all persons in poverty, that does not accurately reflect the current situation or differences in family composition. The data is intended to provide only some indications of differences between the rural and urban counties selected for the study.

Table IV-24 AFDC RECIPIENTS AS PERCENTAGES OF ALL POOR FAMILIES AND INDIVIDUALS IN COUNTIES IN THE 26 SUBREGIONS

Sub-region	State	Rural Urban	(1) All Poor Families (1969) as % of County Pop. (1976)	(2) AFDC Recipients (1977) as % of of All Poor Families (1969)	(3) All Poor Persons in County (1969) as % of County Pop. (1976)	(4) AFDC Recipients (1977) as % of All Poor Persons in County (1969)	(5) Persons in Families Receiving AFDC (1977) as % of Total County Pop. (1975)
1	Vermont	R	15.2%	28.2%	18.3%	23.49%	4.3%
		U	6.2%	75.8%	8.8%	53.4%	4.7%
2	Maryland	R	24.6%	17.8%	27.5%	16.0%	4.4%
		U	4.3%	67.4%	5.62%	51.6%	2.9%
3	New York	R	9.0%	35.5%	12.1%	26.44%	3.2%
		U	5.9%	61.0%	8.7%	41.37%	3.6%
4	Pennsylvania /Ohio	R	20.1%	27.3%	23.0%	23.9%	5.5%
		U	9.0%	42.2%	11.5%	33.0%	3.8%
5	Indiana	R	10.4%	5.19%	12.5%	4.32%	.54%
		U	5.7%	66.6%	8.2%	46.3%	2.8%
6	Wisconsin/ Michigan	R	21.1%	35.5%	27.0%	27.7%	7.5%
		U	8.7%	43.6%	10.4%	36.5%	3.8%
7	Minnesota	R	24.5%	6.9%	28.3%	6.0%	1.7%
		U	5.1%	109.8%	7.2%	77.7%	5.6%
8	Nebraska	R	27.7%	.97%	32.1%	.84%	.27%
		U	6.0%	30.0%	8.9%	20.2%	1.8%
9	Illinois	R	23.4%	16.2%	27.1%	14.0%	3.8%
		U	6.9%	84.05%	8.7%	66.6%	5.8%
10	Tennessee	R	31.2%	7.05%	32.8%	6.7%	2.2%
		U	10.3%	38.8%	13.16%	30.5%	4.09%
11	Kentucky	R	54.9%	36.2%	56.4%	35.2%	19.9%
		U	12.0%	35.8%	14.4%	29.8%	4.3%
12	Virginia	R	24.9%	1.6%	30.6%	1.3%	.42%
		U	6.2%	25.8%	7.0%	22.8%	1.6%

Table IV-24 (Continued)

			(1)	(2)	(3)	(4)	(5)
13	South Carolina	R	34.4%	28.1%	40.9%	23.7%	9.7%
		U	11.7%	18.8%	14.3%	15.3%	2.2%
14	North Carolina	R	37.5%	15.4%	44.7%	12.9%	5.8%
		U	11.3%	32.7%	14.5%	25.5%	3.7%
15	Georgia	R	43.0%	17.4%	49.9%	15.0%	7.5%
		U	16.1%	42.2%	17.5%	38.8%	6.8%
16	Louisiana	R	50.1%	28.7%	55.9%	25.7%	14.4%
		U	18.7%	23.5%	24.1%	18.2%	4.4%
17	Florida	R	34.0%	11.7%	37.8%	10.5%	4.0%
		U	14.1%	31.9%	16.8%	26.7%	4.5%
18	Florida	R	25.9%	21.2%	27.9%	19.7%	5.5%
		U	11.2%	33.0%	13.8%	26.8%	3.7%
19	Oklahoma/ Texas	R	31.1%	13.1%	36.4%	11.2%	4.1%
		U	14.9%	18.7%	19.0%	14.7%	2.8%
20	Arkansas	R	41.5%	6.0%	43.6%	5.7%	2.5%
		U	13.8%	36.2%	17.1%	29.2%	5.0%
21	Texas	R	51.0%	12.9%	58.6%	11.2%	6.6%
		U	16.0%	28.7%	19.0%	24.2%	4.6%
22	Colorado	R	20.5%	24.3%	23.4%	21.3%	5.0%
		U	4.6%	23.9%	5.7%	19.2%	1.1%
23	South Dakota	R	32.4%	36.1%	38.9%	30.0%	11.7%
		U	11.3%	42.4%	13.3%	36.0%	4.8%
24	Idaho	R	22.4%	9.8%	24.9%	8.8%	2.2%
		U	8.7%	31.0%	10.2%	26.4%	2.7%
25	Oregon	R	12.0%	17.6%	13.9%	14.3%	2.0%
		U	4.6%	67.3%	6.3%	49.2%	3.1%
26	Arizona	R	46.5%	24.3%	52.1%	21.6%	11.3%
		U	10.3%	23.1%	13.5%	18.5%	2.5%

AID TO FAMILIES WITH DEPENDENT CHILDREN-UNEMPLOYED FATHERS COMPONENT (AFDC-UF), ALL STATES AND 27 STUDY STATES

Summary of Findings: AFDC-UF

- o Only 27 of the 50 states provide benefits to two-parent families, and those states are primarily Northern industrial and urbanized. Only 4 Southern states provide AFDC-UF. Only 9 of the 25 states having the highest percentages of nonmetropolitan population provide AFDC-UF.
- o Even in those states which offer an AFDC-UF program, only a small number of poor families are assisted.
- o The estimated number of nonmetropolitan poor families receiving AFDC-UF benefits in the 27 sample states is so few as to be almost insignificant.
- o The weakness (or absence) of the AFDC-UF program in nonmetropolitan areas creates a serious gap in the public assistance system for persons in nonmetropolitan areas because of the larger number of two-parent families.

The AFDC-UF program is optional at the states' discretion. Currently only 27 states, plus Guam and the District of Columbia, have chosen to provide this program, under which benefits are paid to two-parent families where the father is unemployed. Table IV-25 provides a listing of all those states which do provide AFDC-UF, as well as the number and percent of persons served by the program in each state and the percent of the state's population which is nonmetropolitan. Even in those states where coverage is extended to two-parent families, the eligibility requirements are so stringent* that, nationwide, only slightly over 125,000 families participated in September 1977.

Thus, due to strict requirements or a complete lack of coverage, most two parent poor families, often termed the "working poor," receive no cash assistance. As a generalization, those states that do have an Unemployed Fathers program tend to be Northern, more industrial and urbanized than states which do not offer the program. Kentucky, West Virginia, Maryland and Delaware are the only Southern states to provide the optional AFDC-UF coverage.

The reform issues involved in the AFDC-UF program center on extension of coverage to all qualified households in currently nonparticipating states and on a modification of eligibility criteria, so that many who work at very low wages and/or less than full-time and are still poor, would receive some measure of assistance. A total of 15 subregions, representing 14 states in the 52-county survey do not have a UF component of AFDC, as Table IV-26 illustrates.

The figures in columns (1) and (2) in Table IV-26 indicate the numbers of nonmetropolitan two-parent families and an estimation of individuals within those families who are poor and who, under a liberalization of eligibility criteria based on need rather than work involvement, might be eligible for some assistance. None of those families currently could receive any form of federal means-tested assistance other than Food Stamps, regardless of labor force involvement or income.

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*To be eligible for AFDC-UF, the father must have been unemployed for 30 days prior to the receipt of benefits, not refused a bona fide offer of employment or training, have 6 or more quarters of work in any 13 calendar quarter period ending within one year prior to the application for benefits, register with the State Employment Service, and not be receiving any unemployment benefits.

A Supreme Court decision (Philbrook V. Glodgett et al, Docket 73-1820, United States Supreme Court, June 9, 1975) gave eligible AFDC-UF applicants a choice between Unemployment Insurance and AFDC-UF benefits. Subsequent legislation requires those AFDC-UF beneficiaries to apply for and accept any UI benefits to which they are entitled, and welfare payments will then bridge any gap between UI payments and the benefit level.

Table IV-27 provides a detailed breakdown of those 11 subregions in our sample (comprising 13 states) that do provide a UF program, and the number of families and recipients in those families served in September 1977. A comparison with the number of poor nonmetropolitan two-parent families and an estimation of the number of persons within those families is presented. From this data an estimation of the number of nonmetropolitan families and individuals in those families involved in the UF program is derived. An estimation of the percentage of nonmetropolitan poor families and individuals served by the UF program is then presented, as compared to total nonmetropolitan poor husband-wife households and persons in those households. Although these figures are not intended to represent actual numbers of individuals or families, they do provide rough "benchmark" estimates of the poor nonmetropolitan population being served. The estimations are indeed small, ranging from .13 percent in Nebraska of the total nonmetropolitan poverty population for two-parent husband-wife households, to 10 percent in Oregon.

In fact, by this estimation, only 18,800 nonmetropolitan poor families in those 13 states received any assistance from the UF program, out of a total estimated need of 447,000 poor two-parent families. This means that less than 5 percent of needy two-parent rural families were aided in any respect by the UF program. It is interesting to note that of all states which offer UF, Vermont, which is entirely rural, has the highest percentage of UF recipients in proportion to its total assistance population. That undoubtedly reflects the greater number of two-parent families in poverty in rural areas.

It is obvious from the project's findings that many poor two-parent nonmetropolitan families, even in those states that provide the program, are not being served, and that this program can only be viewed as offering minor assistance to those who are poor, while excluding the majority of rural poor two-parent families.

TABLE IV- 25 STATES PROVIDING UNEMPLOYED FATHERS (UF) COMPONENT (1975), NUMBERS AND PERCENTAGES OF THOSE RECEIVING UF AND PERCENTAGE OF STATE WHICH IS NONMETROPOLITAN

State	(1) No. of Persons in Fam. Rec. AFDC, AFDC-UF (1975)	(2) No. and % of Pers. in Fam. Rec. UF (1975) Number	(3) Percent	(4) Percentage of State Which is Nonmetropolitan
California	1,371,081	160,417	11.7%	7%
Colorado	99,401	6,958	7.0%	19%
Connecticut	143,405	2,776	2.1%	8%
Delaware	31,738	568	1.79%	31%
Hawaii	51,366	1,644	3.2%	19%
Illinois	804,254	64,582	8.03%	19%
Iowa	94,051	1,853	1.97%	63%
Kansas	71,407	571	.80%	54%
Kentucky	184,983	12,727	6.88%	54%
Maryland	213,438	6,359	2.97%	15%
Massachusetts	348,186	16,608	4.77%	3%
Michigan	645,491	74,877	11.6%	19%
Minnesota	127,223	5,191	4.08%	36%
*Missouri	245,595	2,342	.95%	37%
Montana	19,236	271	1.41%	76%
Nebraska	36,868	203	.55%	55%
*New Jersey	463,523	17,017	3.6%	8%
New York	1,199,900	23,518	1.96%	11%
Ohio	559,110	76,039	13.6%	20%
Oregon	105,551	16,044	15.2%	40%
Pennsylvania	633,554	21,287	3.36%	20%
Rhode Island	53,165	2,562	4.82%	9%
Utah	36,789	4,451	12.1%	21%
Vermont	22,836	5,910	25.88%	100%
Washington	138,176	16,719	12.1%	27%
West Virginia	72,818	4,981	6.84%	64%
Wisconsin	171,332	17,339	10.12%	40%

*September 1977 Data

Table IV-26 STATES IN STUDY NOT PROVIDING AFDC-UF, SHOWING ESTIMATES OF HUSBAND-WIFE (H-W) HOUSEHOLDS (H/H) UNDER $5,000

Region	State	(1) # of nonmetro H-w H/H under $5,000 (1975)	(2) Statis. estimate # of persons (1975)	(3) % of state pop. nonmetro (1976)
5	Indiana	39,000	134,160	32%
10	Tennessee	85,000	285,600	37%
12	Virginia	51,000	173,910	34%
13	South Carolina	38,000	136,420	52%
14	North Carolina	116,000	397,880	55%
15	Georgia	90,000	311,400	43%
16	Louisiana	61,000	234,240	37%
17	Florida	75,000	239,250	14%
18	Florida	"	"	"
19	Oklahoma Texas - see 21	64,000	208,640	45%
20	Arkansas	64,000	213,760	62%
21	Texas	113,000	388,720	22%
23	South Dakota	18,000	64,980	85%
24	Idaho	14,000	49,420	83%
26	Arizona	11,000	40,920	25%

Table IV-27 STATES IN STUDY-SAMPLE PROVIDING AFDC-UF AND ESTIMATIONS OF NONMETROPOLITAN PARTICIPATION

Sub-region	State	(1) % of State Pop. NM (1976)	(2) No. of Families Rec. UF (9/1977)	(3) No. of Recip. in Families Rec. UF (9/1977)	(4) Stat. Est. No. of NM Families Rec. UF (9/1977)	(5) Stat. Est. No. of Recip. in NM Fam. Rec. UF (9/1977)	(6) No. NM H-W H/H Income Less Than $5,000 (1975)	(7) Stat. Est. % of these poor NM H-W H/H Rec. UF	(8) Stat. Est. No. of Persons in NM H-W H/H Under $5,000 (1975)	(9) Stat. Est. % of Persons in Poor NM H-W H/H Rec. UF
1	Vermont	100%	359	1,713	359	1,713.	8,000	4.48%	28,240	6.06%
2	Maryland	15%	1,939	8,455	290.8	1,268.2	12,000	2.42%	41,160	3.08%
3	New York	11%	12,789	58,628	1,406.7	6,449.0	29,000	4.85%	100,630	6.40%
4	Ohio	20%	16,619	70,868	3,323.8	14,173.6	51,000	6.51%	181,560	7.80%
	Pennsylvania	20%	7,711	33,460	1,542.2	6,692.0	41,000	3.76%	148,010	4.52%
6	Wisconsin	40%	3,428	16,130	1,371.2	6,452.0	40,000	3.42%	145,200	4.44%
	Michigan	19%	13,944	65,643	2,649.3	12,472.1	44,000	6.02%	154,880	8.05%
7	Minnesota	36%	1,473	6,349	530.2	2,285.6	40,000	1.32%	146,400	1.56%
8	Nebraska	55%	48	248	26.4	136.4	20,000	.13%	69,400	.19%
9	Illinois	19%	9,186	44,862	1,745.3	8,523.8	36,000	4.84%	118,080	7.21%
11	Kentucky	54%	6,953	31,309	3,754	16,906	97,000	3.87%	334,650	5.05%
22	Colorado	19%	1,036	196.8	4,564	867.1	13,000	1.51%	44,980	1.92%
25	Oregon	40%	4,005	16,594	1,602	6,637.6	16,000	10.01%	53,920	12.31%

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Summary Of Findings - SSI

- o Twenty-six states provide optional supplementation to the basic federal benefit for aged individuals living independently, and almost half (12) of those states have a significant rural population.
- o The supplements to that category of recipients vary widely, ranging from $7.20 in Illinois to $187.60 in Alaska.
- o The percentage of recipients receiving supplementation also varies, ranging from 8 percent in Rhode Island to 79 percent in Illinois.
- o Half of all states which supplement aged individuals living independently provide for federal administration, and half have state-administered supplements.
- o Rural states strongly favor state-administered supplementation: 9 out of 12 states with significant rural populations choose this option.
- o Although almost half of all states providing supplementation are rural, they are not states where a significant proportion of aged poor are located: almost 40 percent of the aged poor are in 10 Southern states providing no supplementation.
- o A greater percentage of these aged poor are receiving the basic federal benefit, compared with the percentage of aged poor receiving benefits in other states.
- o The nationwide increase in recipients classed as disabled appears to be an urban phenomenon, with the majority of SSI recipients in rural areas still categorized as aged.

SUPPLEMENTAL SECURITY INCOME (SSI)

Supplemental Security Income, the only federal cash grant income support program, provides a minimum floor of assistance at full federal cost to needy qualifying recipients*. This basic federal guarantee is adjusted annually to reflect cost-of-living increases. All recipients in similar categories, having no other source of income, are entitled to receive the federally guaranteed minimum benefit, regardless of the state in which they reside or whether the residence is rural or urban.

Under the "hold harmless" provisions of the law, states must supplement payments to individuals who, as recipients prior to federalization (December 1973), would otherwise have suffered reduction in benefits from transfer to the federalized program. States may elect to supplement the basic federal benefit, and may also choose between administering their supplementary payments and contracting full federal administration. The latter practice is encouraged.

This section on SSI reports findings for all states as well as for the rural and urban counties in the 27 states included in the special survey. Findings are as follows:

- As of 1978, 42 states had chosen to provide supplementation for at least some category of recipients - usually those defined as institutionalized recipients.

- Only 26 states, however, provide supplementation to the basic federal benefit for aged SSI beneficiaries living independently.

*Enacted in 1972, SSI supplanted the former federal/state program of cash grants to the aged (Old Age Assistance), blind (Aid to the Blind), and disabled (Aid to the Partially and Totally Disabled).

- Of those states which do supplement benefits to this category of recipients, not all recipients within the category are eligible for the supplementary amount. As tables IV-28 and IV-29 illustrate, only relatively small percentages of recipients in this category received supplementation, ranging from 8 percent in Rhode Island to 79 percent in Illinois. There is also great disparity between the supplementary amount paid by the states, ranging from $7.20 in Illinois to $187.60 in Alaska.

- Of the 26 states providing supplementation to aged individuals living independently, almost half (12) have greater than one-third of their total population in nonmetropolitan areas. Several of those rural states (notably Alaska, Idaho, Nebraska, and Vermont) offer relatively generous supplements to a significant segment of the aged persons living independently.

- Half (13) of all states which supplement provide for federal administration and half (13) have state-administered supplements. Rural states, however, strongly favor state-administered supplementation, with 9 of those 12 rural states offering a state-administered supplement.

- Although almost half (12) of all states providing supplementary benefits are rural, they are not states where a significant proportion of the aged poor are located. As Table IV-30 illustrates, only 12.5 percent (384,000 persons) of all aged poor are in those 12 rural states, which are located primarily in the North, Midwest and West.

- Eleven largely Southern states have almost 40 percent of the nation's aged population in poverty, yet only one of those states (Oklahoma) provides supplementation. All of those Southern states have greater than 20 percent of their aged population in poverty.

- Nationally, 75.6 percent of the aged poor are receiving SSI benefits, with the average being higher in several Southern states, (Alabama, Arkansas, Louisiana, Mississippi, South Carolina, and Texas).

  A recent study,the "Geographic Distribution of SSI Beneficiaries, December 1976" reports that: "The greater concentration of SSI beneficiaries outside urban areas was most pronounced in the Southern and North Central regions. Nonmetropolitan residence among SSI claimants in the South was nearly 18 percentage points above that for the population as a whole; 7.5 percentage points higher in the North Central states."3/ The pattern for aged SSI recipients was similar: "In the Southern and North Central States, SSI aged beneficiaries were more likely to reside in nonmetropolitan counties than the entire aged population in these regions."4/ Table IV-31 from that report illustrates those findings, which again underscore the greater incidence of poverty, and hence SSI eligibility, for the aged nonmetropolitan poor, especially in the South.

- Five states (Massachusetts, Alaska, California, Nevada, and New York) have greater numbers of aged SSI recipients than aged poor persons. Those last 5 states all provide a relatively generous supplementation to the basic federal benefit, which, in part, undoubtedly serves to lift many above the poverty threshold.

Many believe the reason the aged poor in Southern states have greater participation in the program than the aged poor in other states, is that recipients in Southern states have fewer assets and alternative income sources. That factor results in a higher rate of eligibility for SSI. Also, it is less likely that the rural elderly in the South have been employed in occupations covered by Social Security and where covered, they are likely to receive lower Social Security benefits. (Benefits are based partially on past earnings, which are usually lower in rural areas, especially in the South.) Further, it is less likely that rural Southern workers were in union employment which offers private pension plans. Those elderly rural persons would have either no Social Security or limited benefits from Social Security, which would lower their income and result in a greater rate of eligibility for SSI assistance.

- Between the implementation of SSI in January 1974 and 1977, the actual number of participants increased 15 percent. The composition of the SSI population has also changed, showing since January 1974 a 44 percent increase in the number of individuals receiving payments on the basis of disability, and a 26 percent increase in recipients on the basis of age.

- The nationwide increase in recipients who qualify because of disability appears to be an urban phenonmenon, with the majority of SSI recipients in rural areas categorized as aged. Of the project's 52-county sample (Table IV-32) only three rural counties had lower percentages of aged SSI recipients in comparision with their urban counterparts. (Subregion 11 - Kentucky, Subregion 13 - South Carolina, and Subregion 19 - Oklahoma/Texas.) Conversely, with the exceptions of those subregions, all rural counties had lower percentages of recipients in the disabled category than did urban counties.

- The disproportionate presence of the aged poor in rural areas is also reflected by the fact that, without exception in these 52 survey counties, SSI recipients comprise a larger percentage of the population in rural than in urban areas. In fact, certain rural counties, predominantly in the South, show SSI recipients accounting for 7 to 10 percent of their total county population:

Subregion 11	- Kentucky	7.6%
13	- South Carolina	7.0%
15	- Georgia	8.1%
16	- Louisiana	10.1%
19	- Oklahoma	7.4%

Many SSI recipients depend upon program benefits as a sole source of income; but it is difficult to determine the extent to which that is true in nonmetropolitan areas. As noted in the Cornell Law Review, "There are many individuals who totally rely upon the program for their survival. Despite the use of the word "supplemental" in its name, SSI is often a supplement to nothing."5/ Nationally, 70 percent of all aged SSI recipients received Social Security payments and 35 percent of all disabled recipients received Social Security.

However, one measure of impact on the rural poor is changes in benefit levels prior to federalization and after implementation. One study, "The First-Year Impact of SSI on Economic Status of 1973 Adult Assistance Population," found that:

"If increased effectiveness of the welfare transfer in closing the poverty gap is considered - that is, the difference in the proportion of the poverty eliminated by transfer from 1973 to 1974 - then OAA* recipients in Georgia, Texas, and Mississippi realized much greater gains than those in the other two states, New York and California.

"The individuals from any given state who were worst off in 1973 appear to have benefitted significantly from the implementation of SSI.

The article concluded that:

"...the SSI program did much to reduce the worst deprivation experienced by the adult assistance populations transferred from each state to the new program. The gains by individuals in the traditionally high-paying states were frequently of the same magnitude, however, as the gains experienced by recipients from the low-paying states." 6/

Thus, although the federalization of assistance programs to the aged, blind and disabled has been fraught with dissension and controversy, the establishment of a basic federal minimum payment has aided many in reducing the level of poverty they endured prior to federalization, especially in the lowest paying rural states.

*OAA stands for Old Age Assistance under the state/federal program in effect prior to enactment of SSI.

Table IV-28 SUPPLEMENTAL SECURITY INCOME (SSI): BASIC FEDERAL GRANTS AND STATE SUPPLEMENTATION TO NEED INDIVIDUA LIVING INDEPENDENTLY 1974-1978

State	(1) Federal Floor - 1974 $140.00 Amount - State Supplement	(2) Combined Total Amount	(3) Federal Floor - 1976 $167.80 Amount - State Supplement	(4) Combined Total Amount	(5) Federal Floor -1976 $189.40 Amount - State Supplement	(6) Combined Total Amount
Alaska	$110.00	$250.00	$166.20	$334.00	$187.60	$377.00
California	$ 95.00	$235.00	$108.20	$276.00	$118.20	$307.60
*Colorado	$ 25.00	$165.00	$ 33.20	$201.00	$ 40.00	$229.00
Connecticut	$ 98.00	$238.00	$ 88.20	$256.00	$106.52	$295.92
Hawaii	$ 25.00	$165.00	$ 15.20	$183.00	$ 15.20	$204.60
Idaho	$ 52.00	$192.00	$ 63.20	$231.00	$ 53.60	$243.00
*Illinois	$ 35.00	$175.00	$ 7.20	$175.00	$ 7.20	$196.60
Maine	-0-	$140.00	$ 10.00	$177.80	$ 10.00	$199.40
Massachusetts	$106.00	$246.00	$114.61	$282.41	$126.40	$315.80
*Michigan	$ 20.00	$160.00	$ 24.30	$192.10	$ 32.25	$221.65
*Minnesota	$ 38.00	$178.00	$ 28.20	$196.00	$ 21.60	$211.00
*Nebraska	$ 67.00	$207.00	$ 65.20	$233.00	$ 88.60	$278.00
Nevada	$ 45.00	$185.00	$ 34.95	$202.75	$ 40.05	$229.45
New Hampshire	$ 33.00	$173.00	$ 2.20	$170.00	$ 39.60	$229.45
New Jersey	$ 42.00	$182.00	$ 22.20	$190.00	$ 17.60	$207.00
*New York	$ 67.00	$207.00	$ 60.85	$228.65	$ 60.85	$250.25
*Oklahoma	$ 15.00	$155.55	$ 21.90	$189.70	$ 42.00	$231.40
*Oregon	$ 23.00	$163.00	$ 12.00	$179.80	$ 12.00	$201.40
*Pennsylvania	$ 10.00	$150.00	$ 32.40	$200.20	$ 32.40	$221.80
Rhode Island	$ 31.00	$171.00	$ 31.44	$199.24	$ 33.48	$222.88
*South Dakota	-0-	$140.00	-0-	$167.80	$ 15.00	$204.40
Utah	-0-	$140.00	-0-	$167.80	$ 10.00	$199.40
*Vermont	$ 64.00	$204.00	$ 32.20	$200.00	$ 36.60	$226.00
Washington	$ 30.00	$170.00	$ 34.10	$201.90	$ 40.85	$230.25
*Wisconsin	$ 76.00	$216.00	$ 66.20	$234.01	$ 86.20	$275.60
Wyoming	-0-	$140.00	-0-	$167.80	$ 20.00	$209.40

*Indicates states included in the project's designated 52 counties.

TABLE IV- 29 SUPPLEMENTAL SECURITY INCOME (SSI): ADMINISTRATION OF OPTIONAL SUPPLEMENTATION, PERCENT OF AGED INDIVIDUALS LIVING INDEPENDENTLY WHO RECEIVE SUPPLEMENTARY AMOUNTS, AND PERCENT OF STATE POPULATION WHICH IS NONMETROPOLITAN

(1)	(2)	(3)	(4)
Administration of Optional Supplementation to Aged Individuals Living Independently:		% of Aged Indiv. Living Indep. Within State, Rec. Suppl. Amounts (1978)	Percentage of State Population Which Is Nonmetropolitan
Federal	State		
	Alaska	70.5%	58%
California		21.3%	7%
	Colorado	60.0%	19%
	Connecticut	8.7%	8%
Hawaii		39.2%	19%
	Idaho	41.5%	83%
	Illinois	79.0%	19%
Maine		N/A	70%
Massachusetts		19.2%	3%
Michigan		61.3%	19%
	Minnesota	Hennepin County Recipients Only	36%
	Nebraska	32.2%	55%
Nevada		11.0%	19%
	New Hampshire	20.0%	50%
New Jersey		58.0%	8%
New York		9.2%	11%
	Oklahoma	18.0%	45%
	Oregon	47.8%	40%
Pennsylvania		22.4%	20%
Rhode Island		8.0%	9%
	South Dakota (effective 7/1/78)	For those with no other income	85%
	Utah (effective 7/1/78)	For those with less than $20 income	21%
Vermont		42.8%	100%
Washington		36.2%	27%
Wisconsin		13.4%	40%
	Wyoming	N/A	100%

TABLE IV-30 SUPPLEMENTAL SECURITY INCOME (SSI) FOR THE AGED (65 YEARS AND OVER) IN ALL STATES

State	(1) No. of Persons 65+ (1975)	(2) % of State Pop. 65+ (1975)	(3) No. of Poor Persons 65+ (1975)	(4) % of Persons 65+ Who Are Poor (1975)	(5) No. of Aged SSI Recipients (12/1975)	(6) Aged SSI Recipients (12/1975) as % of Poor 65+ (1975)	(7) No. of Aged SSI Recipients (6/1977)	(8) Aged SSI Recipients (6/1977) as % of Poor 65+ (1975)
Alabama	370,000	10.32%	117,000	31.6%	100,340	85.76%	91,133	77.89%
*Alaska	9,000	2.6%	Below 1,000	5.0%	1,448	(100% + 68.9%)	1,299	(100% + 65.1%)
Arizona	225,000	9.89%	27,000	12.2%	14,189	52.55%	13,162	48.74%
Arkansas	264,000	12.41%	77,000	29.1%	58,309	75.72%	52,497	68.17%
*California	1,190,000	9.48%	151,000	7.6%	334,426	(100% + 54.6%)	323,076	(100% + 53.26%)
Colorado	197,000	7.76%	28,000	14.1%	20,088	71.74%	17,337	61.91%
Connecticut	314,000	10.25%	24,000	7.8%	9,318	38.82%	8,393	34.97%
Delaware	49,000	8.52%	6,000	12.6%	3,364	56.06%	2,962	49.36%
Florida	1,356,000	15.9%	153,000	11.3%	94,017	61.44%	88,949	58.13%
Georgia	421,000	8.57%	134,000	31.9%	93,688	69.91%	84,064	62.73%
Hawaii	59,000	7.0%	6,000	9.7%	5,581	93.01%	5,223	87.05%
Idaho	77,000	9.29%	12,000	15.1%	4,061	33.84%	3,441	28.67%
Illinois	1,108,000	10.8%	112,000	10.2%	47,816	42.69%	42,286	37.75%
Indiana	511,000	9.71%	56,000	11.0%	22,682	40.50%	18,953	33.84%
Iowa	343,000	12.09%	43,000	12.6%	17,033	39.61%	13,940	32.41%
Kansas	271,000	12.16%	33,000	12.2%	12,674	38.40%	10,709	32.45%
Kentucky	359,000	10.64%	81,000	22.6%	57,280	70.71%	51,828	63.98%
Louisiana	336,000	8.98%	99,000	29.3%	93,719	94.66%	83,009	83.84%
Maine	121,000	11.48%	18,000	14.7%	13,619	75.66%	11,887	66.03%
Maryland	332,000	8.18%	38,000	11.4%	19,102	50.26%	17,879	47.05%
*Massachusetts	634,000	11.03%	38,000	5.9%	81,268	(100% + 53.2%)	76,490	(100% + 50.3%)
Michigan	787,000	8.68%	71,000	9.0%	52,070	73.33%	45,810	64.52%
Minnesota	414,000	10.64%	53,000	12.8%	19,499	36.79%	16,366	30.87%
Mississippi	246,000	10.58%	91,000	37.0%	81,546	89.61%	73,403	80.66%
Missouri	582,000	12.37%	98,000	16.9%	64,059	65.36%	53,948	55.04%

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Table IV-30 (Continued)

State	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Montana	72,000	9.66%	10,000	13.3%	3,790	37.9%	3,105	31.05%
Nebraska	183,000	11.98%	28,000	15.4%	8,656	30.91%	7,163	25.58%
Nevada	45,000	7.48%	3,000	7.3%	3,977	(100% + 24.5%)	3,148	(100% + 12.2%)
New Hampshire	84,000	10.26%	8,000	9.9%	3,111	38.88%	2,672	33.4%
New Jersey	749,000	10.34%	61,000	8.2%	38,884	63.74%	34,864	57.15%
New Mexico	90,000	7.81%	18,000	19.5%	12,722	70.67%	11,682	64.9%
New York	1,948,000	10.93%	176,000	9.1%	178,911	(100% + 1.6%)	158,672	90.15%
North Carolina	488,000	9.08%	120,000	24.5%	80,691	67.24%	73,285	61.07%
North Dakota	69,000	11.11%	11,000	15.4%	4,832	43.92%	4,193	38.11%
Ohio	1,028,000	9.66%	116,000	11.3%	53,921	46.48%	45,728	39.42%
Oklahoma	321,000	11.97%	71,000	22.1%	51,289	72.23%	44,926	63.27%
Oregon	251,000	10.96%	28,000	11.4%	10,901	38.93%	9,117	32.56%
Pennsylvania	1,342,000	11.50%	149,000	11.1%	65,857	44.19%	65,761	44.13%
Rhode Island	109,000	11.95%	15,000	13.6%	7,169	47.79%	6,635	44.23%
South Carolina	227,000	8.16%	61,000	26.8%	47,518	77.89%	43,210	70.83%
South Dakota	81,000	12.05%	14,000	17.1%	5,606	40.04%	4,799	34.27%
Tennessee	436,000	10.43%	113,000	26.0%	79,506	70.35%	72,062	63.77%
Texas	1,121,000	9.12%	253,000	22.5%	190,807	75.41%	173,025	68.38%
Utah	89,000	7.28%	12,000	13.3%	3,640	30.33%	3,058	25.48%
Vermont	49,000	10.44%	8,000	16.3%	4,760	59.50%	4,114	51.42%
Virginia	416,000	8.47%	76,000	18.2%	43,894	57.75%	40,263	52.9%
Washington	351,000	10.04%	34,000	9.8%	21,218	62.59%	18,484	54.36%
West Virginia	209,000	11.6%	41,000	19.6%	20,533	50.08%	17,684	43.13%
Wisconsin	487,000	10.65%	42,000	8.6%	36,799	87.61%	34,165	81.34%
Wyoming	32,000	8.51%	4,000	13.2%	1,348	33.70%	1,094	27.35%
United States	21,721,000	10.27%	3,049,000	14.0%	2,307,105	75.66%	2,095,921	68.74%

*Statistically this indicates that all aged poor are receiving benefits and that an additional percentage, as shown in the parentheses in Columns 6 and 8, are not counted among the poor.

Table IV-31 STATE DISTRIBUTION OF SSI RECIPIENTS BY METROPOLITAN AND NONMETROPOLITAN RESIDENCE - DECEMBER 1976

State	(1) % of Total SSI Recipients in Nonmetropolitan Areas	(2) % of Total SSI Recipients in Metropolitan Areas	(3) % of Aged SSI Recipients in Nonmetropolitan Areas	(4) % of Aged SSI Recipients in Metropolitan Areas
Alabama	53.7%	46.3%	56.4%	43.6%
Alaska	79.9%	20.1%	89.2%	10.8%
Arizona	38.1%	61.9%	44.0%	56.0%
Arkansas	74.8%	25.2%	76.1%	23.9%
California	10.0%	90.0%	10.5%	89.5%
Colorado	32.7%	67.3%	40.5%	59.5%
Connecticut	6.6%	93.4%	7.6%	92.4%
Delaware	42.5%	57.5%	47.1%	52.9%
Florida	19.9%	80.1%	19.8%	80.2%
Georgia	60.7%	39.3%	64.0%	36.0%
Hawaii	28.0%	72.0%	30.7%	69.3%
Idaho	88.5%	11.5%	89.0%	11.0%
Illinois	21.0%	79.0%	28.3%	71.7%
Indiana	35.2%	64.8%	38.4%	61.6%
Iowa	70.0%	30.0%	74.5%	25.5%
Kansas	63.8%	36.2%	70.4%	29.6%
Kentucky	72.8%	27.2%	74.8%	25.2%
Louisiana	52.8%	47.2%	55.8%	44.2%
Maine	74.5%	25.5%	75.5%	24.5%
Maryland	20.5%	79.5%	27.2%	72.8%
Massachusetts	N/A	N/A	N/A	N/A
Michigan	24.0%	76.0%	28.0%	72.0%
Minnesota	52.7%	47.3%	60.0%	40.0%
Mississippi	87.1%	12.9%	88.4%	11.6%
Missouri	58.7%	41.3%	64.7%	35.3%
Montana	78.2%	21.8%	82.9%	17.1%
Nebraska	64.5%	35.5%	72.6%	27.4%
Nevada	20.6%	79.4%	22.6%	77.4%
New Hampshire	59.1%	40.9%	58.9%	41.1%
New Jersey	5.8%	94.2%	6.0%	94.0%
New Mexico	75.6%	24.4%	79.8%	20.2%
New York	9.2%	90.8%	10.7%	89.3%
North Carolina	67.9%	32.1%	70.5%	29.5%
North Dakota	91.5%	8.5%	93.1%	6.9%
Ohio	23.7%	76.3%	26.8%	73.2%
Oklahoma	62.4%	37.6%	65.1%	34.9%
Oregon	36.7%	63.3%	41.0%	59.0%
Pennsylvania	21.5%	78.5%	22.3%	77.7%
Rhode Island	6.3%	93.7%	7.0%	93.0%
South Carolina	65.1%	34.9%	66.9%	33.1%
South Dakota	88.2%	11.8%	90.9%	9.1%
Tennessee	49.5%	50.5%	52.6%	47.4%
Texas	37.4%	62.6%	41.3%	58.7%
Utah	25.1%	74.9%	35.2%	64.8%
Vermont	100%	N/A	100%	N/A
Virginia	51.3%	48.7%	56.3%	43.7%
Washington	25.4%	74.6%	29.6%	70.4%
West Virginia	72.0%	28.0%	72.6%	27.4%
Wisconsin	50.2%	49.8%	57.7%	42.3%
Wyoming	100%	N/A	100%	N/A

Source: Kahn, Arthur L. "Geographic Distribution of SSI Beneficiaries, December 1976".

Table IV-32 SUPPLEMENTAL SECURITY INCOME (SSI) RECIPIENTS BY PERCENTAGE (%) IN CATEGORY OF ASSISTANCE: JUNE, 197

Economic Subregion / State	Rural / Urban	% Aged	% Blind	% Disabled	Total SSI Recipients (June 1977) as % of Total County Pop. (1976)	SSI Recipients (June 197 as % of All Poor Persons in County (1969)
1. Vermont	(R)	53.4%	3.4%	43.1%	1.8%	9.8%
	(U)	46.7%	1.0%	52.1%	1.3%	14.7%
2. Maryland	(R)	60.6%	.94%	38.3%	3.1%	11.2%
	(U)	37.1%	1.5%	61.3%	.50%	8.8%
3. New York	(R)	51.4%	1.1%	47.4%	1.8%	14.8%
	(U)	44.4%	2.4%	53.1%	1.4%	16.0%
4. Ohio Pennsylvania	(R)	43.3%	1.8%	54.7%	3.0%	13.0%
	(U)	38.3%	3.2%	58.4%	1.3%	11.3%
5. Indiana	(R)	56.0%	2.4%	41.4%	.65%	5.2%
	(U)	42.6%	2.5%	54.7%	.65%	7.9%
6. Wisconsin Michigan	(R)	63.5%	1.5%	34.8%	3.4%	12.5%
	(U)	47.1%	1.6%	51.2%	1.0%	9.6%
7. Minnesota	(R)	62.9%	1.8%	35.1%	1.8%	6.3%
	(U)	32.7%	2.2%	64.9%	.78%	10.8%
8. Nebraska	(R)	63.7%	0	36.2%	.98%	3.05%
	(U)	40.8%	2.8%	56.3%	.65%	7.30%
9. Illinois	(R)	46.3%	0	53.6%	2.6%	9.5%
	(U)	29.9%	1.0%	68.9%	1.1%	12.6%
10. Tennessee	(R)	58.4%	.49%	41.0%	4.8%	14.6%
	(U)	46.2%	1.7%	52.0%	2.01%	15.2%
11. Kentucky	(R)	44.3%	6.2%	49.4%	7.6%	13.4%
	(U)	51.1%	1.4%	47.4%	2.16%	15.0%
12. Virginia	(R)	69.3%	0	30.6%	2.3%	7.5%
	(U)	49.6%	0	50.4%	.8%	11.4%

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Table IV-32 (Continued)

13.	South Carolina	(R)	51.5%	2.1%	46.3%	7.03%	17.1%
		(U)	54.5%	2.3%	43.1%	1.78%	12.4%
14.	North Carolina	(R)	50.0%	1.4%	48.5%	6.71%	15.0%
		(U)	45.3%	3.8%	50.8%	1.87%	12.8%
15.	Georgia	(R)	68.0%	1.4%	30.5%	8.11%	16.2%
		(U)	41.3%	1.6%	57.0%	3.60%	20.5%
16.	Louisiana	(R)	72.1%	.47%	27.4%	10.19%	18.2%
		(U)	61.6%	1.8%	36.4%	3.58%	14.8%
17.	Florida	(R)	51.2%	2.9%	45.8%	6.25%	16.5%
		(U)	49.2%	2.4%	48.3%	1.89%	11.2%
18.	Florida	(R)	57.4%	1.7%	40.8%	2.77%	9.9%
		(U)	46.8%	2.0%	51.0%	1.32%	9.5%
19.	Oklahoma Texas	(R) (U)	62.3% 66.9%	1.4% 1.3%	36.2% 31.7%	7.40% 2.84%	20.3% 14.9%
20.	Arkansas	(R)	68.4%	1.2%	30.3%	5.74%	13.1%
		(U)	52.9%	4.4%	42.6%	2.10%	12.2%
21.	Texas	(R)	68.7%	.35%	30.8%	5.18%	8.8%
		(U)	60.0%	1.3%	38.5%	2.13%	11.2%
22.	Colorado	(R)	70.9%	0	29.0%	4.0%	17.0%
		(U)	50.4%	1.6%	47.8%	.37%	6.4%
23.	South Dakota	(R)	54.5%	4.5%	40.9%	2.64%	6.7%
		(U)	43.6%	1.3%	55.0%	.64%	4.8%
24.	Idaho	(R)	47.9%	1.3%	50.6%	1.84%	7.3%
		(U)	41.8%	2.2%	55.9%	.64%	6.2%
25.	Oregon	(R)	43.3%	1.1%	55.5%	1.25%	8.9%
		(U)	43.4%	2.1%	54.4%	.42%	6.6%
26.	Arizona	(R)	57.2%	2.4%	40.2%	5.11%	9.8%
		(U)	42.2%	1.4%	56.3%	1.02%	7.5%

Summary of Findings - FS

- o Measured by average amounts to recipients, residents in rural areas receive less in Food Stamp bonuses than do urban recipients.
- o Participation relative to degree of need (incidence of poverty) is far less than in urban areas.
- o Compared to urban recipients, rural residents who receive Food Stamps overwhelmingly tend not to be public aid (AFDC and GA) recipients.
- o Of those receiving public aid, fewer rural than urban recipients elect to receive the Food Stamp bonuses for which they are eligible. That is especially true in those states in which Food Stamp bonuses amount to a disproportionate share of total benefits.

The Food Stamp program is the only major public assistance program in the United States which bases eligibility for benefits solely on need rather than on categorical classification as to family status or characteristics, such as age and disability. For that reason the program aids many of the poor who work and are ineligible for other assistance, as well as those receiving welfare assistance.

The Food Stamp program is an entitlement program under which the criteria for eligibility and the formula for calculating benefits are uniform throughout the nation. To be eligible for Food Stamp bonuses, a household (family or individual) has to meet the income and asset tests and the work requirement. Benefits are varied according to those factors and family size. Total expenditures accruing to rural and urban areas are based on the residential distribution of eligible recipients, actual participation by those who are eligible, and the levels of benefits paid.

The fact that Food Stamp coverage is fairly universal holds special implications for poor people in rural areas, because many of them have relatively high attachment to the labor force and are members of two-parent families, and hence are ineligible for other categorical assistance programs. In fact, Richard Nathan has characterized the expansion and liberalization of the Food Stamp program in recent years "...as the single most important change in social welfare in the U.S. since the passage of the Social Security Act in 1935." 7/ The importance of the Food Stamp Program is demonstrated clearly by its growth in numbers of participants and federal costs since 1965.

	1965	1977
Participants	less than 1 million	17 million
Tax Dollars	$100 million	$5.5 billion

This section of the report briefly examines the operation of the Food Stamp program in the rural and urban counties in the project's 26 subregions and the importance of Food Stamp bonuses to the rural poor. Studies by other researchers, focusing upon participation and outlay data and incorporating county-level characteristics of the Food Stamp program, have also reported significant implications for poor rural residents. The citation that follows makes the major points.

In "Distributional Equity of the Food Stamp Program," Martin and Lane analyzed 3,097 United States counties along a rural and urban continuum. Using 1975 county-level outlay data for Food Stamps in conjunction with county characteristics for 1970, they report finding:

"(a) That rurality does decrease bonus stamp outlays per capita and per poor person; (b) that variables that measure the extent of poverty and public assistance participation are the most important determinants of bonus stamp outlays; (c) that local attitudes, as expressed by partisan political choices, and, more importantly, county participation in a voluntary human resources program, are significant determinants of per capita bonus stamp outlays; and (d) that economic and demographic variables have their expected effects on bonus Food Stamp outlays. The significance of both geographic and attitudinal variables suggests that factors not envisaged in the authorizing legislation are, in fact, partially determining per capita Food Stamp outlays across counties."8/

In "Factors Related to Participation in the Food Stamp Program," Frederick Hines of the Economic Research Service at the Department of Agriculture, makes that point in another way. He found that although "the Food Stamp program was more successful in reaching the rural poor than other public assistance programs..., [it still] more effectively reached the poverty population in the most urban counties."9/

The project's analysis of variations in Food Stamp benefits and participation in the 26 rural and urban counties for October of 1977 supports those and other previous research findings. Tables IV-33 and IV-34 indicate actual bonus outlays and differing measures of participation, and show markedly higher participation and benefit levels in urban areas.

- With few exceptions, bonus outlays were almost always greater in the urban counties than in the rural, with three-quarters (19) of the sampled rural areas paying less per recipient than urban places. The larger gaps, in terms of benefit dollar value, were more apparent in the South and Southwest (Arizona, Colorado, Texas, Oklahoma and Florida).

- In rural areas, a far lower percentage of Food Stamp recipients received Public Assistance (mainly AFDC and GA recipients*) and proportionately more FS recipients are classified as not receiving Public Assistance than is true in urban areas. However, nearly all AFDC recipient families are eligible for Food Stamps.

- More than three-quarters of the rural counties sampled had lower participation in the Food Stamp program than the urban counties, when compared to the incidence of poverty within those counties.

- However, when all Food Stamp recipients are taken as a percentage of the total county population, almost two-thirds of the rural counties had greater participation relative to all residents of the county than was true in the 26 urban counties.

- Counties with greater rural-than-urban participation in the program relative to the numbers of poor people, were clustered largely in the South (Kentucky, South Carolina, North Carolina, Louisiana, Florida, Texas and Oklahoma). Some of the largest differences in greater urban than rural participation were in Northern, more industrialized states (for example, Illinois and Minnesota).

*The Department of Agriculture's system for reporting Food Stamp benefits does not count SSI recipients as "Public Assistance/Food Stamp" recipients. That definition of Public Assistance does not coincide with the project's definition, which includes SSI recipients.

- In 17 states, Food Stamp benefits amount to well over one-third of the total Maximum Payable Amount of AFDC and FS benefits for a family of four*.

Table IV-35 lists those states in which more than one-third of the total Maximum Payable Amounts are given in Food Stamps, and shows the percentage of the total paid in Food Stamps. Most of those states are in the South and Southwest. Excessive Food Stamp use in states represents a budgetary preference for federal monies, and perhaps a means of exerting social controls over the poor. This phenomenon may have given rise to reduced participation in the Food Stamp program by AFDC recipients in states where one may be "Food Stamp rich, cash poor."

Table IV-36 shows that, among all the states in the 52-county sampling that pay more than one-third of benefits in Food Stamps, in only two urban counties (in subregions 2 - Maryland and 21 - Texas) does the participation of AFDC recipients in the Food Stamp Program exceed the national average for such participation**. The other counties both urban and rural, have far lower AFDC-recipient participation in the Food Stamp program. The lowest participation (22 percent) is in the urban county of Arizona.

In summation, rural residents receive less, as measured by average bonus amounts to recipients, than do urban recipients; their total participation relative to the county population, is usually greater than that in urban areas. But their participation relative to degree of need (incidence of poverty) is far less than in urban areas. Compared to urban recipients of Food Stamp bonuses, rural recipients tend not to be AFDC recipients. Further, of those receiving public assistance, fewer rural than urban residents elect also to receive the Food Stamps for which they are eligible. That is especially true in those states in which a disproportionate share of the Maximum Payable Amount in combined AFDC and FS benefits is in Food Stamp bonuses.

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*Based upon USDA's Economy Food Plan, expenditures for food should represent one-third of total income. Yet 17 states have such inadequate AFDC benefit levels that Food Stamps assume a disproportionate share of the total combined benefit. For example, almost 75 percent of the total benefit in Mississippi is in Food Stamps. However, as Food Stamp bonuses are an entitlement program, and except for administrative costs, fully paid for by the federal government, many states find it more palatable politically and economically to provide low AFDC cash grants and proportionately larger Food Stamps benefits.

**The National Average is 70.1 percent.

Table IV-33 FOOD STAMP BONUS OUTLAYS PER RECIPIENT IN RURAL AND URBAN COUNTIES, OCTOBER, 1977

Subregion	State	(1) Rural	(2) Urban	(3) $-Difference
1.	Vermont	$22.48	$22.48	-0-
2.	Maryland	$23.14	$29.62	- $6.48
3.	New York	$15.41	$17.91	- $2.50
4.	Ohio/ Pennsylvania	$20.95	$19.93	- $2.50
5.	Indiana	$27.79	$23.11	+ $4.68
6.	Wisconsin/ Michigan	$16.82	$22.42	- $5.60
7.	Minnesota	$20.50	$18.37	+ $2.13
8.	Nebraska	$18.46	$17.09	+ $1.37
9.	Illinois	$25.75	$26.77	- $1.02
10.	Tennessee	$26.33	$29.24	- $2.91
11.	Kentucky	$26.60	$28.11	- $1.51
12.	Virginia	$20.32	$26.00	- $5.68
13.	South Carolina	$26.01	$27.76	- $1.51
14.	North Carolina	$23.73	$24.70	- $ .97
15.	Georgia	$23.48	$27.97	- $4.49
16.	Louisiana	$22.78	$25.16	- $2.38
17.	Florida	$23.64	$30.96	- $7.32
18.	Florida	$31.93	$30.14	+ $1.79
19.	Oklahoma/ Texas	$16.54	$25.69	- $9.15
20.	Arkansas	$25.93	$29.28	- $3.35
21.	Texas	$27.91	$28.25	- $ .34
22.	Colorado	$20.19	$28.95	- $8.76
23.	South Dakota	$22.60	$23.44	+ $ .84
24.	Idaho	$25.20	$24.99	+ $ .21
25.	Oregon	$20.45	$23.92	- $3.47
26.	Arizona	$20.32	$27.63	- $7.31

TABLE IV-34 A RURAL/URBAN COMPARISON OF AFDC RECIPIENTS AND POOR PEOPLE RECEIVING FOOD STAMPS (FS) IN THE 26 SUBREGIONS

Subregion State	Rural Urban	(1) Of Total FS Recip., % Rec. P.A. (10/1977)*	(2) Of Total FS Recip., % NOT Rec. P.A. (10/1977)	(3) Total FS Recip. (10/1977) as % of County Pop. (1976)	(4) % of Poor Persons in County (1969)	(5) FS Recipients (10/1977) as % of Poor Persons in County (1969)
1. Vermont	State figures	43.1%	56.8%	7.63%	R 18.3% U 8.8% (13.5% in State 1976)	41.69% 86.70%
2. Maryland	(R)	34.4%	65.5%	4.33%	27.5%	15.74%
	(U)	71.2%	28.7%	3.07%	5.6%	54.82%
3. New York	(R)	50.4%	49.5%	3.77%	12.1%	31.58%
	(U)	67.9%	32.0%	4.49%	8.7%	61.60%
4. Ohio Penn	(R)	43.8%	56.1%	7.47%	23.0%	32.47%
	(U)	56.1%	43.8%	6.52%	11.5%	56.69%
5. Indiana	(R)	14.9%	85.0%	.91%	12.5%	7.28%
	(U)	73.0%	26.9%	3.28%	8.2%	40.0%
6. Wisc. Mich.	(R)	35.7%	64.2%	6.47%	27.0%	23.96%
	(U)	56.2%	43.7%	7.06%	10.4%	67.88%
7. Minnesota	(R)	18.5%	81.4%	4.24%	28.3%	14.98%
	(U)	77.8%	22.1%	5.64%	7.2%	78.33%
8. Nebraska	(R)	14.9%	85.0%	.96%	32.1%	2.99%
	(U)	69.9%	30.0%	1.68%	8.9%	18.7%
9. Illinois	(R)	34.5%	65.4%	6.13%	27.1%	22.61%
	(U)	56.9%	43.0%	7.32%	8.7%	84.13%
10. Tennessee	(R)	12.0%	87.9%	6.91%	32.8%	21.06%
	(U)	30.8%	69.1%	6.53%	13.1%	49.84%
11. Kentucky	(R)	24.3%	75.6%	29.28%	56.4%	51.91%
	(U)	28.9%	71.0%	7.10%	14.4%	49.30%
12. Virginia	(R)	9.2%	90.72%	3.73%	30.6%	12.18%
	(U)	27.1%	72.89%	2.44%	7.0%	34.85%

Table IV-34 (Continued)		(1)	(2)	(3)	(4)	(5)
13.	(R)	33.0%	66.9%	17.59%	40.9%	42.78%
South Carolina	(U)	24.4%	75.5%	3.46%	14.3%	24.19%
14.	(R)	15.8%	84.1%	17.37%	44.7%	38.85%
North Carolina	(U)	41.0%	58.9%	4.39%	14.5%	30.27%
15.	(R)	17.1%	82.8%	12.07%	49.9%	24.18%
Pennsylvania	(U)	33.3%	66.6%	10.37%	17.5%	59.25%
16.	(R)	21.9%	78.0%	32.20%	55.9%	57.60%
Louisiana	(U)	32.6%	67.38%	8.45%	24.1%	35.06%
17.	(R)	19.1%	80.8%	10.03%	37.8%	26.53%
Florida	(U)	31.4%	68.5%	9.56%	16.8%	56.90%
18.	(R)	17.9%	82.0%	19.46%	27.9%	69.74%
Florida	(U)	25.0%	74.9%	8.96%	13.8%	64.92%
19. Okla.	(R)	19.3%	80.6%	10.7%	36.4%	29.39%
Texas	(U)	34.9%	65.0%	5.24%	19.0%	27.57%
20.	(R)	9.6%	90.3%	11.19%	43.6%	25.66%
Arkansas	(U)	49.5%	50.4%	6.65%	17.1%	38.88%
21.	(R)	16.3%	83.6%	27.28%	58.6%	46.55%
Texas	(U)	30.6%	69.3%	10.93%	19.0%	57.52%
22.	(R)	46.9%	53.0%	8.93%	23.4%	38.16%
Colorado	(U)	44.2%	55.7%	8.31%	5.7%	**
23.	(R)	45.7%	54.2%	5.60%	38.9%	14.39%
South Dakota	(U)	55.3%	44.6%	4.27%	13.3%	32.10%
24.	(R)	29.8%	70.1%	4.49%	24.9%	18.03%
Idaho	(U)	60.1%	39.8%	3.17%	10.2%	31.07%
25.	(R)	35.5%	64.4%	2.59%	13.9%	18.63%
Oregon	(U)	62.1%	37.8%	3.24%	6.3%	51.42%
26.	(R)	44.5%	55.4%	5.86%	52.1%	11.24%
Arizona	(U)	22.3%	77.6%	6.71%	13.5%	49.70%

*In the U.S., of total FS recipients, the percent receiving PA is 48.1%; NPA is 51.8%. Recipients as percent of total U.S. population are 7.55%.

**This data (Colorado, Urban) includes several other counties as well, and is not an accurate reflection of recipients as a percent of the poor (145.78%).

Table IV-35 STATES PROVIDING MORE THAN ONE-THIRD OF TOTAL AFDC BENEFITS IN FOOD STAMPS (1977), BY PERCENTAGE OF TOTAL BONUS VALUE OF FOOD STAMPS IN DESCENDING ORDER

State	Percent of Combined Maximum Payable Amount (AFDC + FS) Paid in Food Stamps
Mississippi	74.35%
*South Carolina	59.79%
*Tennessee	55.44%
*Texas	55.27%
*Georgia	55.09%
Alabama	53.6%
*Louisiana	50.30%
*Arkansas	45.53%
*Florida	45.27%
*Arizona	44.0%
*North Carolina	43.66%
New Mexico	40.37%
*Kentucky	37.99%
Missouri	37.79%
West Virginia	35.98%
*Maryland	35.36%
Nevada	34.0%
	U.S. Median 27.8%

For July 1977, under U.S. Food and Agriculture Act, 1977.

*States in the project's sample survey.

Table IV-36 FOOD STAMP RECIPIENTS IN PUBLIC AID CATEGORY AS PERCENTAGE OF TOTAL AFDC RECIPIENTS: (AFDC) - FEBRUARY, 1977; FOOD STAMPS - OCTOBER, 1977

Subregion			Subregion		
1.	Vermont (State Figure, No County Data)	67.5%	16.	Louisiana	61.3% (U) 48.8% (R)
2.	Maryland	75.4% (U) 33.3% (R)	17.	Florida	65.5% (U) 47.4% (R)
3.	New York	82.9% (U) 59.1% (R)	18.	Florida	59.0% (U) 62.6% (R)
4.	Pennsylvania Ohio	95.8% (U) 59.0% (R)	19.	Texas Oklahoma	65.4% (U) 50.2% (R)
5.	Indiana	62.2% (U) 25.0% (R)	20.	Arkansas	65.3% (U) 42.8% (R)
6.	Michigan Wisconsin	104.3% (U) 30.8% (R)	21.	Texas	72.4% (U) 66.5% (R)
7.	Minnesota	77.6% (U) 45.2% (R)	22.	Colorado	308.3%* (U) 82.2% (R)
8.	Nebraska	63.7% (U) 51.5% (R)	23.	South Dakota	48.8% (U) 21.7% (R)
9.	Illinois	71.6% (U) 55.4% (R)	24.	Idaho	70.5% (U) 60.9% (R)
10.	Tennessee	49.2% (U) 36.2% (R)	25.	Oregon	63.5% (U) 44.3% (R)
11.	Kentucky	47.8% (U) 35.7% (R)	26.	Arizona	58.2% (U) 22.9% (R)
12.	Virginia	39.7% (U) 81.8% (R)			
13.	South Carolina	36.9% (U) 59.5% (R)			
14.	North Carolina	47.9% (U) 47.2% (R)			
15.	Georgia	50.4% (U) 27.5% (R)			

* This data (Colorado, urban) includes several other counties as well, and is not an accurate reflection of Food Stamp participation for AFDC recipients.

SUMMARY OF FINDINGS - GA

o General Assistance exhibits great rural and urban variance in program coverage, benefits and funding methods.

o States that do not offer a General Assistance program are predominantly rural, and of those that offer only partial coverage within the state, it appears that many more urban than rural poor residents are served.

o Benefits in states with statewide coverage strongly favor urban areas in payment amounts.

o General Assistance programs that are state-controlled, or that have a mix of state and local involvement, appear to offer more uniformity in coverage and equity in benefits than do programs that are locally controlled.

General Assistance programs, funded entirely at the state and/or local level, provide cash and sometimes in-kind assistance to poor people who are categorically ineligible for federally-assisted programs. Those poor are largely non-aged singles, childless couples, and two-parent families, or are not sufficiently disabled to be covered under SSI. They are sometimes viewed as the "undeserving poor."

Administered by state and/or local governments, General Assistance is designed to meet the needs of that "gap" population, as well as to provide emergency aid to those in immediate need who cannot wait to receive approval of their application for categorical aid. In addition, General Assistance meets the needs of families in one-time emergency situations, such as job terminations and house fires.

Not all states offer General Assistance, often referred to as "Home Relief." Of those that do, wide variance is the norm concerning benefit schedules and state/local cost-sharing formulas. In fact, the pattern of diversity is the only consistent element in these programs.

As a rule, General Assistance programs fall into three structural categories, although exceptions abound:

1. State-supervised, state-administered, and state-funded programs.

2. State-supervised, county-administered programs, jointly funded by both county and state.

3. County-supervised, county-adminstered, and county-funded programs.

In general, states that are less generous in AFDC benefits and SSI supplementation tend also not to provide General Assistance, or to provide it only in some areas of the state. The following findings present a useful picture of the random variation and seemingly chaotic pattern of discretion that creates problems for recipients, analysts, and program administrators.

- Fully one-third of the states in the 27-state sample offer no General Assistance programs, and of the 18 that do, 13 appear to offer state wide coverage. (See Table IV-37.)

- The 9 states with no General Assistance are predominantly rural and the majority are in the Southern region.

- Further, in the 5 states providing only partial coverage, the majority of recipients are located in urban areas with very few recipients in rural areas.

- Among the 13 states that offer statewide coverage, the range in benefits is enormous and, with two exceptions (Subregion 9, Illinois, Subregion 12, Virginia) always in favor of urban areas. (See Table IV-38.)

- In terms of greater uniformity of coverage and equity in benefits, programs that are state-controlled are preferable to those that are county-controlled, and the mix of state and county administration and supervision provides a middle ground. In the survey's sample of states offering General Assistance, those with entirely local sources of funding (Wisconsin, North Carolina, Georgia, Louisiana, and South Dakota) tend to have larger gaps in coverage and benefits (with the exception of Louisiana) than do those employing the alternative methods of funding. Yet variations among and within states are so pronounced that those generalizations are most tenuous.

Thus, we see that the poor (primarily singles, childless couples, and two-parent families) are totally excluded from any cash assistance in some of the more rural states, and that some states which have General Assistance exclude rural, but not urban residents.

Of all the public assistance programs, General Assistance seems to be the most responsive to prevalent local attitudes regarding the poor and the extent to which they should receive assistance. The presence of General Assistance programs and the subsequent level of benefits provided may be one of the more accurate indicators of the attitude of states or localities towards their poor population. Only rarely will a state exhibit other progressive characteristics in its welfare program and not offer a General Assistance program.

In summary, we see that states in the 27-state sample which offer no General Assistance coverage, or only partial coverage, generally conform to the pattern of low benefits, limited coverage, and little supplementation that we have found in other public assistance programs in those states.

Table IV-37 GENERAL ASSISTANCE: PRACTICES IN THE 27-STATE SAMPLE (1977)

Subregion	State	GA Provided	Subregion	State	GA Not Provided
2.	Maryland	X	1.	Vermont	X
3.	New York	X	5.	Indiana	X
4.	Ohio/Pennsylvania	X	8.	Nebraska	X
6.	Wisconsin/Michigan	X	10.	Tennessee	X
7.	Minnesota	X	11.	Kentucky	X
9.	Illinois	X	17.	Florida	X
12.	Virginia	X	18.	Florida	X
13.	South Carolina	X	19.	Texas	Urban Portion of Subregion 19
14.	North Carolina	not entire state	20.	Arkansas	X
15.	Georgia	not entire state	21.	Texas	X
16.	Louisiana	X	24.	Idaho	X
19.	Oklahoma	not entire state			
22.	Colorado	not entire state			
23.	South Dakota	not entire state			
25.	Oregon	X			
26.	Arizona	X			

Table IV-38 COMPARISONS IN GA BENEFITS: URBAN AND RURAL, BY COUNTIES IN SURVEY STATES PROVIDING GA COVERAGE; FUNDING SOURCES

Subregion	State	(1) Average Per Recipient 2/1977 Urban Recip.	(2) Average Per Recipient 2/1977 Rural Recip.	(3) Dollar Difference	(4) Funding Sources
2.	Maryland	$103.82	$ 86.23	- $17.59	Fed. - 1.4% State-77.8% Local-20.8%
3.	New York	$154.86	$ 98.65	- $56.21	State-50.9% Local-49.1%
4.	Pennsylvania	$111.42		- $66.22	State- 100%
	Ohio		$ 45.20		State-80.3% Local-19.7%
6.	Michigan	$108.37		- $89.92	State-72.5% Local-27.5%
	Wisconsin		$ 18.45		Local 100%
7.	Minnesota	$153.33	$ 54.36	- $98.97	State-34.7% Local-65.3%
9.	Illinois	$ 14.95	$ 22.85	+ $ 7.90	State-62.1% Local-13.3%
12.	Virginia	$ 17.72	$169.78	+$152.06	State-62.1% Local-37.9%
13.	South Carolina	$ 58.69	$ 35.45	- $23.24	State- 100%
14.	*North Carolina	$ 23.95	-No G.A. Recipient in County-	- $23.95	Local- 100%
15.	*Georgia	$ 48.00	-No G.A. Recipient in County-	- $48.00	Local- 100%
16.	Louisiana	$ 54.28	$ 52.54	- $ 1.74	Local- 100%
19.	Texas	--State does not offer a G.A. Program;			No Program
	*Oklahoma	--No G.A. Recipient in County--			State- 100%
22.	*Colorado	--No G.A. Recipient in County--			State-89.1%
		No G.A. Recipient in County			Local-10.9%
23.	*South Dakota	$ 13.46	-No G.A. Recipient in County	- $13.46	Local- 100%
25.	Oregon	$ 69.25	$25.12	- $44.46	State- 100%
26.	Arizona	$ 94.90	$90.00	- $ 4.90	State- 100%

*GA program is not operational in all areas/subdivisions of State.

SUMMARY OF IV-B

The extent to which the nonmetropolitan poor are assisted through the major categorical programs, AFDC, AFDC-UF, and SSI is difficult to estimate with any accuracy. It is possible, however, to determine for each state the number and percentage of all poor people receiving benefits from those programs, as shown in Table IV-39.

Based on that information, Table IV-40 ranks the states from highest to lowest by percentage of all poor persons receiving some benefits from AFDC, AFDC-UF, or SSI. Table IV-40 also presents the percentage of nonmetropolitan poor within each state relative to the percentage of the nation's total nonmetropolitan poor, as well as the amount of the state's MPA, the presence of state supplementation to aged SSI recipients, and the percentages of each state's total population that is nonmetropolitan.

Those two tables clearly indicate that states with the most progressive public assistance systems in terms of benefit amounts, participation, and coverage tend to be those with less than a third of their total population in nonmetropolitan areas. Although there are exceptions, those states with the least adequate public assistance systems and the greatest poverty have more than one-third of their population in nonmetropolitan areas. An examination of the 25 states with 83 percent of the nation's nonmetropolitan poor illustrates that point by showing that:

- Sixty-two percent of all nonmetropolitan persons in poverty live in 16* of those 25 states which pay less than the median Maximum Payable Amount (MPA) in combined AFDC cash and Food Stamp benefits for all states ($5,220). They also have a lower percentage of poor persons receiving AFDC and AFDC-UF or SSI than the national average percentage of poor persons receiving such benefits. Further, only 2 of those 16 states (Kentucky and West Virginia) offer the Unemployed Fathers (UF) component of AFDC, and only 1 (Oklahoma) provides optional supplementation to noninstitutionalized aged SSI recipients. Fourteen of those 16 states have more than 32 percent of their total population in nonmetropolitan areas. (Texas and Florida are the exceptions.)

- Five of the remaining 9 states of the 25 with the most nonmetropolitan poor (California, Pennsylvania, Michigan, Wisconsin, and Illinois) have MPA's above the median MPA for all states. In those same states the percentage of poor persons receiving either AFDC, AFDC-UF, or SSI is above the national average. All 5 of those states supplement noninstitutionalized aged SSI recipients and provide the UF program. However, only 1 state (Wisconsin) has more than a third of its total population in nonmetropolitan areas.

- Two states of the remaining 9 (Ohio and Missouri) have a greater percentage than the national average of poor persons receiving either AFDC, AFDC-UF, or SSI, but have a lower MPA than the median. Neither of those states provides supplementation to noninstitutionalized aged SSI recipients, but both provide the Unemployed Fathers program. Missouri has more than a third of its total population in nonmetropolitan areas, and Ohio has less than a third of its total population in nonmetropolitan areas.

*Georgia, Alabama, Louisiana, Tennessee, Mississippi, Virginia, Indiana, Arkansas, Kentucky, Oklahoma, South Carolina, North Carolina, West Virginia, New Mexico, Texas and Florida.

- Minnesota and Iowa, the last states in the grouping of 9 states among the 25 with the most nonmetropolitan poor, have a higher-than-median MPA, but a lower percentage of poor persons receiving either AFDC, AFDC-UF, or SSI in comparison to the national average. Both states offer the Unemployed Fathers program, but only Minnesota provides supplementation to aged noninstitutionalized SSI recipients. Both states have more than a third of their population in nonmetropolitan areas.

Clearly, the degree to which a state is rural cannot be cited as the cause for inadequate welfare programs. Several states with "significantly" high percentages of nonmetropolitan population have relatively adequate public assistance systems. However, there is a strong correlation between states that have a significant proportion of nonmetropolitan population and those in which the public assistance programs are characterized by low benefits, under-participation, and limited coverage.

Chapter I includes a brief set of recommendations about changes in public policy which would benefit poor people and public assistance recipients in rural states and areas. Part IV-C of this Chapter provides basic information about how changes in cash benefits and expanded coverage for two-parent families might affect public assistance recipients and the poor in all states.

Table IV-39 TOTAL NUMBER OF PERSONS RECEIVING AFDC AND SSI AS PERCENT OF POOR POPULATION, ALL STATES (1975)

State	(1) No. of Poor Persons in State - (1975)	(2) No. of AFDC-UF and AFDC Recipients - (July-Dec. 1975)	(3) % of AFDC Recipients Receiving UF - (Dec. 1975)	(4) Total No. of SSI Recipients - (Dec. 1975)	(5) Total Receiving AFDC, AFDC-UF, or SSI Number	(6) As Percent of All Poor Persons in State (1975)*
Alabama	586,780	166,733	-0-	146,518	313,251	53.3%
Alaska	22,780	10,641	-0-	3,043	13,684	59.6
Arizona	314,380	67,924	-0-	28,245	96,169	30.5%
Arkansas	392,340	106,699	-0-	88,450	195,149	49.7%
California	2,192,170	1,371,081	11.7%	665,521	2,036,602	92.9%
Colorado	230,180	99,401	7.0%	35,425	134,826	58.5%
Connecticut	204,470	132,205	2.1%	23,293	155,498	76.0%
Delaware	47,270	31,738	1.79%	6,977	38,715	81.9%
Florida	1,225,410	247,913	-0-	158,676	406,589	33.1%
Georgia	882,800	335,232	-0-	165,432	500,664	56.7%
Hawaii	66,900	51,366	3.2%	9,564	60,930	91.0%
Idaho	85,330	19,443	-0-	8,791	28,234	33%
Illinois	1,150,380	804,254	8.03%	137,471	941,725	81.8%
Indiana	423,700	167,043	-0-	44,315	211,358	49.8%
Iowa	225,200	94,051	1.97%	28,814	122,865	54.5%
Kansas	177,760	71,407	.80%	23,968	95,375	53.6%
Kentucky	595,740	184,983	6.88%	98,200	283,183	47.5%
Louisiana	719,890	230,085	-0-	151,627	381,712	53.0%
Maine	126,170	72,278	-0-	24,754	97,032	76.9%
Maryland	313,430	213,438	2.97%	48,529	261,967	83.5%
Massachusetts	408,110	348,186	4.77%	132,278	488,464	117.7% or (100 ± 15.0%)
Michigan	820,990	645,491	11.6%	119,856	765,347	93.2%
Minnesota	323,690	127,223	4.08%	39,239	166,462	51.4%
Mississippi	607,230	181,741	-0-	125,068	306,809	50.5%
Missouri	564,960	272,760	.95%**	100,828	373,588	66.1%
Montana	85,890	19,236	1.41%	8,406	27,642	32.1%
Nebraska	146,940	36,868	.55%	16,381	53,249	36.2%
Nevada	52,800	156,164	-0-	6,181	21,345	40.4%
New Hampshire	64,670	27,103	-0-	5,571	32,674	50.5%
New Jersey	586,430	444,886	3.6%**	81,301	526,187	89.7%
New Mexico	222,560	60,298	-0-	26,594	86,892	39.0%
New York	1,670,600	1,199,900	1.96%	403,077	1,602,977	95.9%
North Carolina	787,650	192,116	-0-	150,509	342,625	43.4%
North Dakota	65,590	13,626	-0-	7,999	21,625	32.9%
Ohio	997,260	559,110	13.6%	131,872	690,982	69.2%
Oklahoma	369,950	91,789	-0-	84,108	175,897	47.5%
Oregon	203,990	105,551	15.2%	25,997	131,548	64.4%
Pennsylvania	1,132,900	633,554	3.36%	147,929	781,483	68.9%

Table IV-39 (Continued)

Rhode Island	79,640	53,165	4.82%	16,195	69,360	87.0%
South Carolina	477,860	138,629	-0-	82,379	221,008	46.2%
South Dakota	87,850	24,708	-0-	9,008	33,716	38.3%
Tennessee	659,780	206,262	-0-	138,673	344,935	52.2%
Texas	1,870,070	363,650	-0-	280,029	643,679	34.4%
Utah	103,160	36,789	12.1%	9,339	46,128	44.7%
Vermont	63,360	22,836	25.88%	9,249	32,085	50.6%
Virginia	513,470	179,130	-0-	77,466	256,596	49.9%
Washington	298,520	138,176	12.1%	52,967	191,143	64.0%
West Virginia	270,240	72,828	6.84%	43,641	116,459	43.0%
Wisconsin	352,100	171,332	10.12%	65,976	237,230	67.3%
Wyoming	32,710	6,513	-0-	2,547	9,060	27.6%
U.S.	25,877,000	11,007,525	5.15%	4,314,275	15,321,800	59.21%

*These figures show recipients as a percent of the total poor population and are not intended as an actual representation, but rather are used as comparisons among states. Recipients which have been lifted above the poverty line are not counted among the poor. Yet this analysis counts them as members of that population for comparative reasons. This results in an overestimation of the poor who receive assistance, since not all recipients of assistance are poor.

Table IV-40 STATES RANKED FROM HIGHEST TO LOWEST BY AFDC, AFDC-UF, AND SSI RECIPIENTS AS PERCENT OF ALL POOR PERSONS IN STATE; WITH PERCENT OF STATE NONMETROPLITAN POPULATION, NATION'S NONMETROPOLITAN POOR IN STATE, COMBINED MPA (FS + AFDC - 1977) AND SSI SUPPLEMENT (1978)

	(1) AFDC, AFDC-UF, or SSI, Recip. as % of All Poor Persons in State	(2) % of States Population Nonmetro	(3) Poor Within Each State as % of Nation's Total Nonmetro Poor	(4) MPA (AFDC + FS)	(5) State That Supplement SSI Benefits To Aged Individual
Massachusetts	117.0%	3%	.56%	$5,808	X
New York	95.9%	11%	1.6 %	$7,308	X
Michigan	93.2%	19%	2.29%	$6,516	X
California	92.2%	7%	2.84%	$6,132	X
Hawaii	91.0%	19%	.13%	$7,848	X
New Jersey	89.7%	8%	1.37%	$5,568	X
Rhode Island	87.0%	9%	.12%	$5,760	X
Maryland	83.5%	15%	.65%	$4,716	
Delaware	81.9%	31%	.15%	$4,992	
Illinois	81.8%	19%	1.74%	$5,244	X
Maine	76.9%	70%	1.16%	$5,220	X
Connecticut	76.0%	8%	.34%	$6,324	X
Ohio	69.2%	20%	2.93%	$4,824	
Pennsylvania	68.9%	20%	2.68%	$5,712	X
Wisconsin	67.3%	40%	1.94%	$6,288	X
Missouri	66.1%	37%	2.84%	$4,572	
Oregon	64.4%	40%	.86%	$6,276	X
Washington	64.0%	27%	1.01%	$6,072	X
Alaska	59.6%	58%	.24%	$6,840	X
Colorado	58.5%	19%	.80%	$5,081	X
Georgia	56.7%	43%	5.90%	$3,768	
Iowa	54.5%	63%	1.7 %	$5,676	
Kansas	53.6%	54%	1.11%	$5,640	
Alabama	53.3%	38%	3.47%	$3,828	
Louisiana	53.0%	38%	4.15%	$3,960	
Tennessee	52.2%	37%	3.74%	$3,744	
Minnesota	51.4%	36%	2.0 %	$5,976	X
Vermont	50.6%	100%	.66%	$5,976	X
Mississippi	50.5%	74%	5.41%	$2,808	
New Hampshire	50.5%	50%	.53%	$5,484	X
Virginia	49.9%	34%	3.0 %	$5,196	
Indiana	49.8%	32%	1.87%	$4,884	
Arkansas	49.7%	62%	2.94%	$4,164	
Kentucky	47.5%	54%	4.49%	$4,548	

Table IV-40 (Continued)

Oklahoma	47.5%	45%	2.37%	$5,004	X
South Carolina	46.2%	52%	3.48%	$3,492	
Utah	44.7%	21%	.27%	$5,532	X
North Carolina	43.4%	55%	5.56%	$4,260	
West Virginia	43.0%	64%	2.29%	$4,668	
Nevada	40.4%	19%	.10%	$4,788	X
New Mexico	39.0%	67%	1.96%	$4,428	
South Dakota	38.3%	85%	.83%	$5,376	X
Nebraska	36.2%	55%	1.02%	$5,688	X
Texas	34.4%	22%	6.94%	$3,756	
Florida	33.1%	14%	4.36%	$4,188	
Idaho	33.0%	83%	.78%	$5,472	X
North Dakota	32.9%	77%	.64%	$5,688	
Montana	32.1%	76%	.77%	$4,968	
Arizona	30.5%	25%	.83%	$4,248	
Wyoming	27.6%	100%	.34%	$4,848	X

CHAPTER IV

FINDINGS: PART C

EFFECTS ON BASIC AFDC BENEFITS OF VARIED INCOME FLOORS

The primary purpose of public assistance is to provide basic income for individuals and families who suffer from severe poverty. The findings in CHAPTER IV-B demonstrate that the states with large concentrations of rural poverty tend to have benefit levels that are lower than national averages and medians for all states and that some programs are absent or very limited. Clearly then, the establishment of a nationwide minimum floor and extension of program coverage is of special importance to the rural poor.

The purpose of this section is to examine briefly the effects on AFDC benefits of new federal minimum income floors at three hypothetical levels which have been the subject of legislation or discussion in recent years. The three hypothetical levels used for comparison with current MPA's for AFDC and AFDC combined with Food Stamps are: (1) the average national poverty threshold for a family of four- $6,200; (2) 65 percent of the threshold-$4,030 and (3) $2,400. The assumption in (1) and (2) is that the value of Food Stamp bonuses is included in the total benefits, and in (3) that Food Stamp bonuses would be additional to that amount as in effect under the 1977 Food and Agriculture Act. The maximum payable amounts to recipients and the hypothetical benefit levels are treated as though both were 1977 dollars, and the results shown are those that would obtain if the new benefits had been implemented in 1978.*

As a background to comparative changes under differing federal benefits, Table IV-41 shows the numbers of persons in poor families that theoretically could be affected by new federal benefits. The numbers are reported according to characteristics of family heads. It should be noted that those who are current recipients represent a conservative estimate of the numbers of persons who could be affected by new federal minimum benefits. Any increase in the basic income eligibility floor for AFDC-eligible families would automatically increase the number of poor female-headed families with no husband present who could become eligible for benefits.

If eligibility for a new federal minimum benefit for families were to be based on need and extended to male-headed or two-parent families as well as female-headed families, then the eligible population would again be increased. In the 23 states alone that provide no AFDC-UP assistance, the increase in eligible population would be significant. (That would be true also if AFDC-UP were mandated for all states.)

The tables and information that follow show current MPA's for AFDC and AFDC/FS for 1977 (4-member female-headed families), and hypothetical new benefits.

AT A FEDERAL MINIMUM OF $6,200 (POVERTY THRESHOLD)

In 1977, poor families in 43 states would have had increases in benefits under such a new federal floor.

Only seven states had Maximum Payable Amounts (MPA's) for a four-person AFDC family in combined AFDC cash grants and FS bonuses (1977 Food and Agriculture Act) that exceeded the poverty level of $6,200. They are as follows:

*The poverty level is updated annually, based on changes in the Consumer Price Index. Projections by the Senate Finance Committee for 1982 place the estimated poverty level at $7,675. Sixty-five percent of the level is $4,990. In 1982 dollars, $2,995 will be equivalent to $2,400 in 1978 dollars.

Alaska	$6,840
Connecticut	$6,324
Hawaii	$7,848
Michigan	$6,516
New York	$7,308
Oregon	$6,276
Wisconsin	$6,288

In those seven states, a requirement to maintain benefits would have to be enacted to protect against loss in benefits. The remaining 43 states where combined MPA's are less than the poverty level are shown in Table IV-42. The eligible population in all of those states would have potential gains in benefits.

AT A FEDERAL MINIMUM OF 65 PERCENT OF THE POVERTY LEVEL - $4,030

Seven of the 43 states in which benefits would increase at $6,200 had MPA's in 1977 at less than 65 percent of the poverty level ($4,030) in combined AFDC and FS benefits. Those seven Southern states have significant nonmetropolitan populations and disproportionate concentrations of the rural poor, no AFDC-UF coverage and little or no General Assistance. Table IV-43 shows for those states the MPA's in AFDC and FS benefits, the possible increase in benefits, the number of AFDC recipients for 1977 and the percentages and numbers of people in nonmetropolitan areas.

AT A FEDERAL MINIMUM OF $2,400, ASSUMING CONTINUATION OF FOOD STAMP BONUSES

Even if a new federal income floor for families should be set as low as $2,400 in cash, poor families in 10 states -- largely Southern -- would gain in benefit payments. (See Table IV-44.) The dollar gain would not be great, but the increase in newly-eligible families would be significant, especially if the new program should benefit both single-headed (mostly female) families and two-parent male-headed families. Those 10 states have 41.15 percent of the nation's nonmetropolitan poor; not one of them provides AFDC-UF coverage; 4 of them provide no General Assistance and 3 of them provide it in predominantly urban parts of the state. Except for Texas, all have at least 32 percent of their residents in nonmetropolitan areas.

TABLE IV-41 POOR PERSONS IN FAMILIES WHO ARE POTENTIAL BENEFICIARIES OF NEW HYPOTHETICAL FEDERAL INCOME FLOORS - ALL STATES, 1975.

State	(1) No. of Pers. In Poor Fam. 1975	(2) No. of Pers. in Poor Female-Headed Fam. (No Husb.)1975	(3) No. of Pers. in Poor Male-Headed Fam. 1975	(4) No. of Recipients AFDC 1975	(5) No. of Recipients AFDC-UF 1975	(6) Total No. Recip. AFDC, AFDC-UF 1975	(7) Diff. Between No. of Pers. in Poor Fam. & No. of Pers. Receiving AFDC or AFDC-UF 1975
Alabama	459,000	180,000	279,000	166,733	-0-	166,733	292,267
Alaska	18,000	6,000	12,000	10,641	-0-	10,641	7,359
Arizona	257,000	106,000	151,000	67,924	-0-	67,924	189,076
Arkansas	316,000	77,000	239,000	106,699	-0-	106,669	209,301
California	1,707,000	765,000	942,000	1,210,644	160,417	1,371,081	335,919
Colorado	161,000	62,000	99,000	92,443	6,958	99,401	61,599
Connecticut	158,000	101,000	57,000	129,429	2,776	132,205	25,795
Delaware	36,000	21,000	15,000	31,170	568	31,738	4,262
Florida	986,000	383,000	603,000	247,913	-0-	247,913	738,087
Georgia	745,000	318,000	427,000	335,232	-0-	335,232	409,768
Hawaii	53,000	23,000	30,000	49,722	1,644	51,366	1,634
Idaho	67,000	20,000	47,000	19,443	-0-	19,443	47,557
Illinois	936,000	577,000	359,000	739,672	64,582	804,254	131,746
Indiana	323,000	127,000	196,000	167,043	-0-	167,043	155,957
Iowa	156,000	46,000	110,000	92,198	1,853	94,051	61,949
Kansas	12,000	51,000	78,000	70,836	571	71,407	57,593
Kentucky	504,000	124,000	380,000	172,256	12,727	184,983	319,017
Louisiana	588,000	256,000	332,000	230,085	-0-	230,085	357,915
Maine	97,000	34,000	63,000	72,278	-0-	72,278	24,722
Maryland	245,000	143,000	102,000	207,099	6,359	213,438	31,562
Massachusetts	312,000	199,000	113,000	331,578	16,608	348,186	* 36,186
Michigan	654,000	357,000	297,000	570,614	74,877	645,491	8,509
Minnesota	235,000	74,000	161,000	122,032	5,191	127,223	107,777
Mississippi	517,000	207,000	310,000	181,741	-0-	181,741	335,259

Table IV-41 (Cont'd.) (1)	(2)	(3)	(4)	(5)	(6)	(7)
Missouri	436,000	161,000	275,000	272,760	-0-	272,760	163,240
Montana	64,000	18,000	46,000	18,965	271	19,236	44,764
Nebraska	105,000	32,000	73,000	36,665	203	36,868	68,132
Nevada	40,000	19,000	21,000	15,164	-0-	15,164	24,836
New Hampshire	49,000	23,000	26,000	27,103	-0-	27,103	21,897
New Jersey	491,000	275,000	216,000	444,886	**17,017	463,523	27,477
New Mexico	195,000	65,000	130,000	60,298	-0-	60,298	134,702
New York	1,299,000	753,000	546,000	1,176,382	23,518	1,199,900	99,100
North Carolina	669,000	235,000	434,000	192,116	-0-	192,116	476,884
North Dakota	50,000	9,000	41,000	13,626	-0-	13,626	36,374
Ohio	798,000	346,000	452,000	483,071	76,039	559,110	238,890
Oklahoma	284,000	83,000	201,000	91,789	-0-	91,789	192,211
Oregon	135,000	55,000	80,000	89,507	16,044	105,551	29,449
Pennsylvania	848,000	426,000	422,000	612,267	21,287	633,554	214,446
Rhode Island	57,000	32,000	25,000	50,603	2,562	53,165	3,835
South Carolina	419,000	152,000	267,000	138,629	-0-	138,629	280,371
South Dakota	72,000	15,000	57,000	24,708	-0-	24,708	47,292
Tennessee	560,000	226,000	334,000	206,262	-0-	206,262	353,738
Texas	1,546,000	572,000	974,000	363,650	-0-	363,650	1,182,350
Utah	78,000	36,000	42,000	32,338	4,451	36,789	41,211
Vermont	50,000	15,000	35,000	16,926	5,910	22,836	27,164
Virginia	419,000	154,000	265,000	179,130	-0-	179,130	239,870
Washington	211,000	107,000	104,000	121,457	16,719	138,176	72,824
West Virginia	215,000	64,000	151,000	67,837	4,981	72,818	142,182
Wisconsin	264,000	99,000	165,000	153,993	17,339	171,332	92,668
Wyoming	25,000	7,000	18,000	6,513	-0-	6,513	18,487

*Indicates more AFDC, AFDC-UF recipients than number of persons in poor families.
**Number of AFDC-UF recipients as of September 1977.

Table IV-42 FORTY-THREE STATES WHERE MPA's FOR COMBINED AFDC CASH AND FS BONUS ARE LESS THAN $6,200, SHOWING NET GAINS

State	(1) Combined Maximum Potential Benefit Family of 4, AFDC & FS (1977)	(2) Net Gain With Basic Benefit at 100% Poverty Level	(3) Percentage of State Population Which Is Nonmetropolitan
Alabama	$3,838	$2,372	38%
Arizona	$4,248	$1,952	25%
Arkansas	$4,164	$2,036	62%
California	$6,132	$ 68	7%
Colorado	$5,081	$1,119	19%
Delaware	$4,992	$1,208	31%
Florida	$4,188	$2,012	14%
Georgia	$3,768	$2,432	43%
Idaho	$5,472	$ 728	83%
Illinois	$5,244	$ 956	19%
Indiana	$4,884	$1,316	32%
Iowa	$5,676	$ 524	63%
Kansas	$5,640	$ 560	54%
Kentucky	$4,548	$1,652	54%
Louisiana	$3,960	$2,240	37%
Maine	$5,220	$ 980	70%
Maryland	$4,716	$1,484	15%
Massachusetts	$5,808	$ 392	3%
Minnesota	$5,976	$ 224	36%
Mississippi	$2,808	$3,392	74%
Missouri	$4,572	$1,628	37%
Montana	$4,968	$1,232	76%
Nebraska	$5,688	$ 512	55%
Nevada	$4,788	$1,412	19%
New Hampshire	$5,484	$ 716	50%
New Jersey	$5,568	$ 632	8%
New Mexico	$4,428	$1,772	67%
North Carolina	$4,260	$1,940	55%
North Dakota	$5,688	$ 512	77%
Ohio	$4,824	$1,376	20%
Oklahoma	$5,004	$1,196	45%
Pennsylvania	$5,712	$ 488	20%
Rhode Island	$5,760	$ 440	9%
South Carolina	$3,492	$2,708	52%
South Dakota	$5,376	$ 824	85%
Tennessee	$3,744	$2,456	37%
Texas	$3,756	$2,444	22%
Utah	$5,532	$ 668	21%
Vermont	$5,976	$ 224	100%
Virginia	$5,196	$1,004	34%
Washington	$6,072	$ 128	27%
West Virginia	$4,668	$1,532	64%
Wyoming	$4,848	$1,352	100%

Table IV-43 SEVEN STATES WHICH GAIN IN BENEFITS AT $4,030 FEDERAL MINIMUM, COMPARED TO 1977 MPA's IN AFDC CASH AND FS BONUS

State	(1) MPA: Combined AFDC Cash and FS Bonus (1977)	(2) MPA: AFDC Cash Benefit (1977)	(3) Gain in Benefit Over AFDC & FS MPA	(4) Total No. AFDC Recipients (Feb. 1977)	(5) Nonmetro Poverty Ranking Among All States and % of Total Nation's Nonmetro Poor in State (1976)	(6) Total Pop. that is Nonmetro Percent (1976)	Number (1976)
Alabama	$3,828	$1,776	+202	166,899	10th 3.4%	38%	1,398,600
Georgia	$3,768	$1,692	+262	251,864	2nd 5.90%	43%	2,146,200
Louisiana	$3,960	$1,968	+70	220,177	7th 4.15%	37%	1,412,100
Mississippi	$2,808	$ 720	+1,222	175,270	4th 5.41%	74%	1,731,400
South Carolina	$3,492	$1,404	+538	140,393	9th 3.48%	52%	1,473,100
Tennessee	$3,744	$1,668	+286	189,670	8th 3.74%	37%	1,556,200
Texas	$3,756	$1,680	+274	318,291	1st 6.94%	*22%	2,631,000

*1974 Data

Table IV-44 TEN STATES WHERE THE AFDC MPA IS BELOW $2,400 (1977)

State	(1) AFDC & FS MPA (1977)	(2) AFDC MPA	(3) Gain In AFDC @ $2,400	(4) FS MPA (1977)	(5) New Total: $2,400 Plus FS
Alabama	3,828	1,776	624	2,052	$4,452
Arizona	4,228	2,376	24	1,872	$4,272
Arkansas	4,164	2,178	222	1,896	$4,296
Florida	4,188	2,292	108	1,896	$4,296
Georgia	3,768	1,692	708	2,076	$4,476
Louisiana	3,960	1,968	432	1,992	$4,392
Mississippi	2,808	720	1,680	2,088	$4,488
South Carolina	3,492	1,404	996	2,088	$4,488
Tennessee	3,744	1,668	732	2,076	$4,476
Texas	3,756	1,680	720	2,076	$4,476

NOTE: North Carolina has $2,400 as its MPA for AFDC and total benefits would stay at the 1977 level under a fedral floor of $2,400.

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Appendix A

GLOSSARY

Major Income Transfer Programs - "Means-Tested" Welfare Programs

AFDC and AFDC-UP. The Aid to Families with Dependent Children (AFDC) Program provides benefits to families in which a child is deprived of the support of one parent (usually the father) because that parent has died, is incapacitated, or is continually absent from the home. In some states, coverage also is extended under AFDC-UP to families where the father is present but has been unemployed for at least 30 days.

SSI. The Supplemental Security Income Program was enacted in 1972 and implemented in 1974 to provide a uniform national minimum cash benefit to low-income aged, blind and disabled individuals. SSI replaces the state-administered programs financed jointly by the federal government and states for the same population, and is financed through open-ended appropriations from federal general revenues. In some states the basic federal guarantee is supplemented from state funds.

FOOD STAMPS (FS). The Food Stamp Program is a nationally uniform, income-tested program designed to improve the nutrition levels of people in low-income households. Any household meeting the basic eligibility requirements - an income test, an asset test, and a work requirement - may purchase food coupons at a price below the redemption value of the coupons. The price paid for the coupons varies with the income of the household, while the value of the food coupons that may be purchased varies with the number of household members. The difference between the value of the coupons and the purchase price is the bonus value of the food stamps.

GENERAL ASSISTANCE (GA). General Assistance is a type of public aid program administered by state and local governments without federal funding. General Assistance programs provide aid primarily to individuals or families not covered by federally-assisted programs (i.e., employed two-parent families, temporarily disabled, single unemployed individuals). It is financed with either local funds or a combination of state and local funds. General Assistance is a term used to characterize a large number of diverse programs that differ within as well as among states.

MEDICAID. The Medicaid program is a joint federal-state program designed to help low-income persons meet medical expenses. The states pay doctors and hospitals for services which they provide to persons eligible for Medicaid benefits. The federal government reimburses the states for a portion of those medical expenditures. All states choosing to have a Medicaid program must provide assistance to those receiving AFDC and (with certain exceptions) SSI cash payments. Some states also provide medical assistance to a small group of people who would be receiving an AFDC payment or an SSI state supplement except for certain specified conditions.

Non "Means-Tested" Social Insurance Programs

SOCIAL SECURITY. The Old-Age, Survivors, and Disability Insurance Program (OASDI) is designed to replace part of the income from work that is lost to workers and their dependents due to retirement, severe disability, or death. OASDI is financed by a tax on most wage and self-employment income up to a specified maximum. Workers are eligible for benefits if they are retired or disabled and have paid payroll taxes for a sufficient number of quarter years. Benefits depend on average monthly earnings that were subject to the payroll tax. Dependents and dependent survivors receive benefits equal to a fraction of the worker's benefit. Benefits are reduced in any year in which the beneficiary earns more than a limited amount, but the amount of unearned income that may be received is not limited.

MEDICARE. Medicare is provided through two programs. Hospital insurance, financed by an earmarked payroll tax on the employee and employer, assists those 65 and older who are eligible for Social Security. The optional medical insurance program is financed through premiums paid by enrollees and general federal revenues.

Definitions of Terms

Farm-nonfarm residence*. The farm population refers to rural residents living on farms. The definition of farm and nonfarm residence in the Current Population Surveys since March 1960 is the same as that used in the 1960 and 1970 censuses but differs from that used in earlier surveys and censuses. In this survey and in the report, farm residence is determined by responses to two questions: (1) "Does this place you (own/rent) have 10 acres or more?", and (2) "During the past 12 months, how much did sales of crops, livestock and other farm products from this place amount to?" (under $50, $50 to $249, $250 to $999, or $1,000 or more). The household is classified as in the farm population if either a) the acreage response is "Yes" and the sales amounted to $50 or more, or b) the acreage response is "No" and sales amounted to $250 or more. All other households are classified as in the nonfarm population, which comprises persons living in urban areas and rural persons not on farms. Rural persons in institutions, motels, and tourist camps, and those living on rented places where no land is used for farming, are classified as nonfarm population.

Head of family**. One person in each family is designated as the head. Women are not classified as heads if their husbands are resident members of the family. In other cases, the head is usually the person regarded as the head by members of the family. Married couples related to the head of a family are included in the head's family and are not classified as separate families. Thus, female-headed households are those in which the husband is not present and male-headed households are those where the husband is present and the wife may be present.

Unrelated individual***. The term "unrelated individuals", as used in this report, refers to persons 14 years old and over (other than inmates of institutions) who are not living with any relatives. An unrelated individual may constitute a one-person household, or may be part of a household including one or more other families or unrelated individuals, or may reside in group quarters such as a rooming house. Thus, a widow living by herself or with one or more other persons not related to her and a lodger not related to the head of the household or to anyone else in the household, are examples of unrelated individuals.

Poverty Level. The poverty line, based on an analysis of the percent of income devoted to food expenditures, is designed to identify a minimum level of income adequacy, adjusted by such factors as family size, sex of the family head, number of children under 18 years old, and farm-nonfarm residence. The poverty level for families of three or more persons is set at three times the cost of the United States Department of Agriculture economy food plan, as these families are determined to spend one-third of their income on food. For smaller families and individuals, larger fixed expenses have been considered. The farm poverty line is 85 percent of the corresponding nonfarm poverty level because cost-of-living differences are assumed between farm and nonfarm families. The poverty level is updated annually based on changes in the Consumer Price Index. The following gives changes between 1959 and 1975 in the poverty level for a nonfarm family of four.

*Adapted from United States Department of Commerce Bureau of the Census. "Characteristics of the Population Below the Poverty Level: 1975". Consumer Income, Current Population Reports Series P-60, No. 106. USGPO Washington: June 1977.

**Ibid.
***Ibid.

Poverty Level Changes Between 1959 and 1975:

Year	Average threshold for a nonfarm family of four persons
1975	$5,500
1974	5,038
1973	4,540
1972	4,275
1971	4,137
1970	3,968
1969	3,743
1968	3,553
1967	3,410
1966	3,317
1965	3,223
1964	3,169
1963	3,128
1962	3,089
1961	3,054
1960	3,022
1959	2,973

Current Poverty Levels Are:

Family Size	April 1978						April 1977	
	Continental U.S.		Hawaii		Alaska		Continental U.S.	
	Nonfarm	Farm	Nonfarm	Farm	Nonfarm	Farm	Nonfarm	Farm
1	$3,140	$2,690	$3,620	$3,130	$3,940	3,830	$2,970	$2,550
2	4,160	3,550	4,790	4,110	5,210	4,450	3,930	3,360
3	5,180	4,410	5,960	5,090	6,480	5,520	4,890	4,170
4	6,200	5,270	7,130	6,070	7,750	6,590	5,850	4,980
5	7,220	6,130	8,300	7,050	9,020	7,660	6,180	5,790
6	8,240	6,990	8,470	8,030	10,290	8,730	7,770	6,600

For families with more than six members, the poverty level can be determined by adding on the following amounts for each additional person above six: $1,020 (nonfarm) and $860 (farm) for the continental U.S.; $1,170 (nonfarm) and $980 (farm) for Hawaii; $1,270 (nonfarm) and $1,070 (farm) for Alaska.

APPENDIX B DEFINITIONS OF RURAL AND URBAN, METROPOLITAN AND NONMETROPOLITAN AND EXAMPLES OF FEDERAL PROGRAMS AVAILABLE TO RURAL AREAS FOR WHICH SPECIFIC DEFINITIONS OF RURAL ARE PROVIDED AS PART OF THE ELIGIBILITY REQUIREMENTS FOR GRANTS, LOANS AND/OR TECHNICAL ASSISTANCE

Summary of Definitions and Categorizations of Rural

A. Four summary definitions of rural:*

Rural Nonmetropolitan. "All farms, open countryside and places of less than 2,500 residents outside SMSA's". This is the most restrictive definition (18.5 percent of total U.S. population in 1970).

Expanded Rural Nonmetropolitan. "All farms, open countryside and places of less than 10,000 residents outside SMSA's". This definition is used occasionally in Congressional legislation (24.9 percent of total U.S. population in 1970).

Census Rural. "All farms, open countryside and places of less than 2,500 residents, both within and outside of SMSA's". In simplified terms, this is the U.S. Census Bureau's definition (26.5 percent of total U.S. population in 1970).

Census Nonmetropolitan. "All farms, open countryside and places of less than 50,000 residents outside SMSA's". This distinction (rather than urban-rural) is increasingly used for analytic purposes (32.4 percent of total U.S. population in 1970*).

B. The urban-to-rural continuum used for analysis of the distribution of federal funds: METROPOLITAN counties are grouped as Greater (with Core and Fringe counties), Medium and Lesser; NONMETROPOLITAN counties are grouped as Urbanized (Adjacent and Non-adjacent), Less Urbanized (Adjacent and Non-adjacent), and Totally Rural (Adjacent and Non-adjacent).**

I. OFFICIAL DEFINITIONS OF RURAL AND URBAN BY BUREAU OF CENSUS AND OF METROPOLITAN AND NONMETROPOLITAN BY THE OFFICE OF MANAGEMENT AND BUDGET

A. Rural and Urban

(Source: U.S. Department of Commerce. Social and Economic Statistics Administration. Bureau of the Census. 1970).

"The population not classified as urban constitutes the rural population." U.S. Department of Commerce, Bureau of the Census. General Social and Economic Characteristics. United States Summary. 1970 Census of Population. App. 2.

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*Sher, Jonathan P. "Education in Rural America: A Reassessment of Conventional Wisdom." Westview Special Studies in Education. Westview Press. Boulder, CO. 1977. Notes - 377.

**President of the United States. "Rural Development: Message Transmitting the Seventh Annual Report on Government Services to Rural America..." USGPO: Washington, DC. January 19, 1977.

". . . The urban population consists of all persons living in (a) places of 2,500 inhabitants or more incorporated as cities, villages, boroughs (except in the New England States, New York, and Wisconsin), but excluding those persons living in the rural portions of extended cities; (b) unincorporated places of 2,500 inhabitants or more; and (c) other territory incorporated or unincorporated, included in urbanized areas." Ibid. App. 1-2.

"The classification of all the inhabitants of [extended] cities as urban would include in the urban population persons whose environment is primarily rural in character. ... The Bureau of the Census examined patterns of population density and classified a portion or portions of each such city as rural. An extended city contains one or more areas, each of at least 5 square miles in extent and with a population density of less than 100 persons per square mile according to the 1970 Census. The area or areas constitute at least 25 percent of the land area of the legal city or a total 25 square miles or more.

"These cities -- designated as extended cities -- thus consist of an urban part and a rural part." Ibid. App. 2.

B. Metropolitan and Nonmetropolitan

(Source: Executive Office of the President. Office of Management and Budget. Standard Metropolitan Statistical Areas. 1975. pp. 1-3.)

"A standard metropolitan statistical area is generally [emphasis ours] designated on the basis of population statistics reported . . . by the Bureau of the Census. . . ."

"A standard metropolitan statistical area is sometimes [emphasis ours] designated on the basis of population estimations published by the Bureau of the Census which have been accepted for use in the distribution of federal benefits. . . ."

Basic Criteria

"1. Each standard metropolitan statistical area must include at least:

(a) One city with 50,000 or more inhabitants, or

(b) A city with at least 25,000 inhabitants, which, together with those contiguous places (incorporated or unincorporated) having population densities of at least 1,000 persons per square mile, has a combined population of 50,000 and constitutes for general economic and social purposes a single community, provided that the county or counties in which the city and contiguous places are located has a total population of at least 75,000.

"2. A contiguous county will be included in a standard metropolitan statistical area if

(a) At least 75% of the resident labor force in the county is in the nonagricultural labor force, and

(b) At least 30% of the employed workers living in the county work in the central county or counties of the area.

"3. A contiguous county which does not meet the requirements of criterion 2 will be included in a standard metropolitan statistical area if at least 75% of the resident labor force is in the nonagricultural labor force, and it meets two of the following additional criteria of metropolitan character and one of the following criteria of integration.

(a) Criteria of metropolitan character.

(1) At least 25% of the population is urban.

(2) The county had an increase of at least 15% in total population during the period covered by the two most recent Censuses of Population.

(3) The county has a population density of at least 50 persons per square mile.

(b) Criteria of integration

(1) At least 15% of the employed workers living in the county work in the central county or counties of the area, or

(2) The number of people working in the county who live in the central county or counties of the area is equal to at least 15% of the employed workers living in the county, or

(3) The sum of the number of workers commuting to and from the central county or counties is equal to 20% of the employed workers living in the county.

C. Loss of Designation

"A standard metropolitan statistical area shall lose such designation if it fails to meet the criteria for defining an SMSA as measured by information reported in two successive censuses.

"Contiguous county (city or town in New England) included in a standard metropolitan statistical area shall be excluded from that standard metropolitan statistical area if it fails to meet the criteria for inclusion in an SMSA as measured by information reported in two successive censuses.

"The names of cities which are included in the title of a standard metropolitan statistical area by the application of criterion 4(b) shall be dropped from the title if they fail to meet criterion 4(b) as measured by information reported in two successive censuses.

"The 1970 Census of Population shall be the first census used for the application of this criterion."

1. A 'contiguous' county either adjoins the county or counties containing the largest city in the area, or adjoins an intermediate county integrated with the central county. There is no limit to the number of tiers of outlying metropolitan counties so long as all other criteria are met.

2. Unincorporated places as identified and defined by the U.S. Bureau of the Census.

3. In New England, the cities and towns qualifying for inclusion in a standard metropolitan statistical area must have a total population of at least 75,000.

4. Nonagricultural labor force is defined as those employed in nonagricultural occupations, those experienced unemployed whose last occupation was a nonagricultural occupation, members of the Armed Forces, and new workers.

D. "Rural" and "Rural Areas" -- Rural Development Act Definition

The Rural Development Act of 1972 (Title I, Section 109) expanded the definition of "rural" and "rural areas" beyond that provided in the Consolidated Farmers Home Administration Act of 1961 to include communities of up to 50,000 (for purposes of business and industry loans), and to include all territory of the United States other than that within cities of 10,000 population or more for purposes of eligibility for all other programs authorized in the Act. The exemption to those definitions is described as follows in the 1975 Revised Guide to the Rural Development Act of 1972:

". . . these definitions do not limit the geographic location where the expanded and new programs for resource conservation and development and watershed projects and of rural development and small farm extension and research and environmental cost sharing may be undertaken."

The full definition of "rural" and "rural areas" (Title I, Section 109) is as follows:

> "Sec. 109. DEFINITIONS. -- Section 306(a)(7) of the Consolidated Farmers Home Administration Act of 1961 is amended to read as follows:
>
> "(7) As used in this title, the terms 'rural' and 'rural area' shall not include any area in any city or town which has a population in excess of ten thousand inhabitants, except that for purposes of loans and grants for private business enterprises under sections 304(b), 310B, and 312(b), (c), and (d) the terms 'rural' and 'rural area' may include all territory of a State, the Commonwealth of Puerto Rico and the Virgin Islands, that is not within the outer boundary of any city having a population of fifty thousand or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than one hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States: Provided, that special consideration for such loans and grants shall be given to areas other than cities having a population of more than twenty-five thousand."

II. EXAMPLES OF FEDERAL PROGRAMS AVAILABLE TO RURAL AREAS FOR WHICH SPECIFIC DEFINITIONS OF RURAL ARE PROVIDED AS PART OF THE ELIGIBILITY REQUIREMENTS FOR GRANTS, LOANS AND/OR TECHNICAL ASSISTANCE

A. ". . . areas of other than cities having a population of more than 50,000 and its [sic] immediately adjacent to urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Preference ... to those projects in areas other than cities having a population of more than 25,000 ..." 1977 Catalog of Federal Domestic Assistance, pp. 35-36.

1. FmHA, USDA Consolidated Farm and Rural Development Act as Amended. Business and Industrial Loans.

2. FmHA, Industrial Development Grants (#10.424)

3. FmHA, Rural Industrial Pollution Abatement and Control Grants (#10.424) and Loans ($10.422).

4. FmHA, Rural New Towns Development -- private developers (#'s 10.422, 10.423, 10.424, 10.901, 14.207, 14.211).

5. FmHA, Small Rural Industrial and Business Enterprise Operating Loans (#10.422).

6. FmHA, Small Rural Enterprise Real Estate Loans (#10.422).

7. FmHA, Loans (& Grants) to Cooperatives (#10.422).

8. Manpower Administration, U.S. Dept. of Labor Employment Services--Rural Areas and Communities (#17.207).

9. FmHA, Minerals Processing. (#10.422).

10. FmHA, Tourist and Recreation-Related Business and Industry Loans and Grants (#10.413).

11. FmHA, Airport Materials Handling and Warehousing Facilities.

12. FmHA, Rural Transportation Systems - private entrepreneurs.

13. Small Business Administration. Meat and Poultry Inspection Loans -- private entrepreneurs (#59.017).

14. The program of Urban Development Action Grants (UDAG), authorized in the Housing and Community Development Act of 1977, does not fit into the exact mold of the other examples in this section; but it is worth noting because rural or nonmetropolitan areas are defined as communities of under 50,000. In addition, the regulations provide for different requirements for eligibility according to size of "city". The criteria for eligibility for UDAGs are tied to each community's standards of physical and economic distress that vary depending upon whether the "city" is under 2,500; between 2,500 and 10,000; between 10,000 and 25,000; or between 25,000 and 50,000.

B. ". . . housing must be located in a place which is rural in character and does not exceed 10,000 population; or . . . whose population exceeds 10,000 but is not excess [sic] of 20,000, provided the place is not in a Standard Metropolitan Statistical Area. . . ." 1977 Catalog of Federal Domestic Assistance. p. 27.

1. FmHA, USDA Rural Housing Loans -- Section 502 of Housing Act of 1949 as amended. Low to Moderate Income Housing Loans (#10.410).

2. FmHA, USDA. Very Low Income Housing Repair Loans and Grants. Section 504. (#10.417).

C. ". . . Loans may be made in open country and communities up to 10,000 people and places up to 20,000 population under certain conditions. Applicants in towns of 10,000 to 20,000 should check with local FmHA office to determine if agency can serve them." 1977 Catalog of Federal Domestic Assistance. p. 30.

1. FmHA, USDA. Rural Rental Housing Loans. (Sections 515 and 521 (#10.415).

2. FmHA, USDA. Rural Self-Help Housing Technical Assistance - Sections 523 and 524 of Housing Act of 1949 as amended. (#10.411).

D. ". . . open country, villages, towns, and small cities up to 10,000 population". Guide to Federal Programs for Rural Development, RDS, USDA. 1970. reprinted 1975. p. 12.

1. FmHA, USDA. Rural New Towns Development -- public bodies. (#10.423 and #10.424).

2. Forest Service, USDA. Rural Community Fire Protection (#10.656).

3. FmHA, USDA. Community Facilities Loans (#10.423).

4. FmHA, Water and Waste Disposal Systems (#10.418).

5. FmHA, Rural Transportation Systems -- public bodies (not listed).

Guided by the same population definition of rural as 10,000 or under in population, are the Area Development Assistance Planning Grants. Section 211 or the Rural Development Act of 1972, Regulations issued April 4, 1978, states in paragraph 1948.5 (c): " 'Rural' and 'rural area' shall not include any area in any city or town which has a population in excess of ten thousand inhabitants." Not in catalogue.

E. ". . . any area of the United States not included within the boundaries of any city, village, or borough having a population in excess of 1,500 inhabitants." 1977 Catalog of Federal Domestic Assistance, p. 63.

1. REA. Titles I and III of the Rural Electrification Act as amended. Rural Electrification Loans and Loan Guarantees (#10.850).

2. FmHA. Rural Telephone Loans and Loan Guarantees (#10.850).

F. ". . .population is less than 2,500 but greater than 200." Guide to Federal Programs for Rural Development, p. 94.

FmHA, USDA. Smaller Rural Communities Fire Protection. (not listed).

G. ". . . open country and rural towns and villages up to 5,000 population." 1977 Catalog of Federal Domestic Assistance, p.26.

FmHA, USDA. Irrigation, Drainage, and other Soil and Water Conservation Loans. (#10.409).

H. ". . . open country, villages, towns, and cities up to 20,000 population." Guide to Federal Programs for Rural Development, p. 218.

1. FmHA, USDA. Rural rental and farm labor multifamily housing --Operating Expenses (#10.405).

2. FmHA, Rural mobile homes for residence. (not listed).

APPENDIX C COMPARISON OF MAJOR LEGISLATION ON WELFARE REFORM IN THE 95th CONGRESS

COVERAGE

Comprehensive bills: (H.R. 9030, Administration bill and H.R. 10950, Subcommittee Bill)

Extend universal coverage to all low-income individuals. Include singles, childless couples, 1- and 2-parent families with children, aged, blind and disabled individuals and couples and their children, and children living under special circumstances, such as foster care.

Incremental bills: (S. 2777, Baker-Bellmon and H.R. 10711, Ullman)

Retain present categorical programs. They continue AFDC for 1-parent families, and mandate coverage to two-parent AFDC-UF families. Single individuals and childless couples continue to be covered by Food Stamps alone. The aged, blind and disabled continue to be covered by SSI.

BASIC BENEFIT LEVELS

Comprehensive bills:

Provide minimum cash benefit standard for all individuals, combining AFDC and SSI into a single program and converting FS into cash. Would include two-parent families, single-parent families, individuals and childless couples, and maximum benefit would be $4,200 for single-parent 4-person family if the parent is not expected to work. If no child is under 14, a parent in a single-parent family is expected to work. Families subject to the work requirement receive a reduced benefit of $2,300. Single-parent families with a child 7-13 receive a reduced benefit only if the parent is offered - and refuses - part-time employment during the child's school hours. If, after an 8-week job search period, the parent has not been placed in a job, the family would get the full benefit of $4,200. For individuals and childless couples, a new federal cash program provides benefits of $1,100 for an individual and $2,200 for a couple. For the aged, blind, and disabled, a new federal cash program provides a benefit of $2,500 to an individual, and $3,750 for a couple. States may supplement all of these payments.

Incremental bills:

Place primary emphasis on setting minimum cash plus Food Stamp benefit standard for families with children. Retain and amend the AFDC program for families with children deprived of support due to death, incapacity or absence from home of one parent. Set a minimum cash benefit for two-parent AFDC-UF families supplemented by FS (AFDC-UF program is now optional with the states). Total benefit proposed ranges from $3,875 to $4,200, (including cash and FS). For a single-parent family, the proposals retain AFDC and FS programs, with different formulas in each bill to determine amount. For the two-parent family, the present AFDC-UF program is amended to provide cash assistance to unemployed parents in all states at the same benefit level as for single-parent families. Individuals and childless couples will retain benefits under the FS program at the current benefit value of $624 for an individual and $1,152 for a couple.

Retain the existing SSI program for aged, blind and disabled individuals and couples, which currently provides a federal benefit of $2,136 for an individual and $3,200 for a couple. States may supplement Federal SSI benefit at 100 percent of State cost. With supplementation, the current range of total benefit payments plus FS is from $2,334 to $4,368 for an individual and from $3,584 to $7,956 for a couple.

STATE SUPPLEMENTATION AND MAINTENANCE OF EFFORT

Comprehensive bills:

Families are classified into two groups -- those with members expected to work full time and those with no member expected to work full time and supplementation is provided for each group differently. Basically, for those in Not-Expected-To-Work (NETW) families the federal government will pay 75 percent of the states' cost of raising the benefit from the minimum floor of $4,200 to a level of benefit that approximates three-fourths of the poverty line (roughly $4,717). Twenty-five percent of the states' cost in raising the benefit from three-quarters of the poverty line to meeting the poverty line (approximately $6,350) will be paid for by the federal government. For those in Expected-To-Work (ETW) families, the federal government will pay 75 percent of the cost of raising the basic minimum (when no work is available) to approximately three-quarters of the poverty line and 75 percent of the cost of raising the basic benefit during the job search period ($2,300) to $2,583. The Subcommittee bill provides federal cost sharing for Expected-To-Work (ETW) families up to the poverty line at 25 percent.

Incremental bills:

Comprehensive bills establish a minimum benefit floor for all states and then offer incentives toward supplementation, but incremental bills, generally, establish cost sharing as a percentage of the total benefit and allow states to supplement beyond that point at their own expense. The Ullman bill mandates a floor for single parent families at the 1977 combined FS plus cash benefit level which, if less than $330 a month, must be raised to that point. Benefits are then adjusted annually towards the states' median family income, and no federal supplementation is provided beyond that level. In the Baker-Bellmon bill, the Federal government is responsible for 80-90 percent of the cost of raising cash benefits from current levels to the poverty line (in combined cash and FS). States may supplement these cash benefits, but at their own expense.

ELIGIBILITY PROVISIONS

Comprehensive bills:

1. Accountability Period - Eligibility and paymont for a month are determined after the end of the month on the basis of the income which the applicant received in that month and, in H.R. 9030, the preceding 5 months. Families with children, single individuals and childless couples generally must file monthly reports; aged, blind and disabled individuals must file periodic reports as specified by the Secretary of Health, Education and Welfare. No provision for redeterminations is made and periodic reports must be filed.

2. Assets - Value of nonexcluded household assets cannot exceed $5,000 under one bill (H.R. 9030) and $1,500 for an individual or $2,250 for 2 or more individuals under H.R. 10950. Equity value of business (for self-employment income) cannot exceed a limit prescribed by the Secretary of Health, Education and Welfare. Not included in determining the assets of the household are a home (and reasonable amount of land), if it is the household's place of residence, household goods and personal effects (including vehicles and tools or other items necessary for employment). One and one-fourth percent (15 percent annually) of the value of nonexcluded nonbusiness assets in excess of $500 and 0.83 percent (10 percent annually) of business assets, reduced by any income derived from such assets, is included in determining the monthly income of the household.

3. Exclusions from Income - Fifty percent of monthly earnings for the aged, blind and disabled, single-parent families with children under 14, and single individuals and childless couples. If state supplementation is offered, benefits may be reduced up to 70 percent for those employed part-time. The first $317 is excluded plus 50 percent of monthly earnings for

families with children who receive reduced benefits (generally two-parent families and single-parent families with no children under 14). For single-parent families: child care cost of a child under 14, amounting to $150 per month for 1 child, with a maximum of $300 per month for 2 or more children.

Incremental bills:

1. Accountability Period - For AFDC, states have the choice of determining eligibility and payment on the basis of (1) income received during the 30 days preceding application or during the calendar month preceding the month in which application is made; or (2) income anticipated to be received during the calendar month in which application is made. For SSI, proposals retain current law; that is, eligibility and payment are based on income anticipated during the calendar quarter, except that if application is made in the second or third months of a calendar quarter, they are based on the income in each month of that quarter. Redetermination for AFDC recipients must be made. Period of time varies - from monthly to every 6 months, depending on the bill. Changes in income and circumstances must be reported at set intervals. Redeterminations are made annually for SSI recipients (except for disability factors) and recipients are required to report changes in circumstances that affect benefits.

For FS, proposals retain current law. Eligibility and benefits are based on current income at time of application and prospective income anticipated during household's period of certification. Federal government pays 100 percent of benefit costs.

2. Assets - For AFDC, the value of nonexcluded household resources may not exceed $1,500 for an individual, or $2,150 for 2 or more individuals. Retains the current law for SSI; and retains the current law limits and rules for Food Stamps (dollar limits are $3,000 for a household of 2 or more persons, one of whom is at least age 60, $1,750 for other households).

3. Exclusions from Income - For SSI recipients, the same as present law: for blind recipients -- work-related expenses and income needed to achieve self-support; for disabled recipients -- income needed to achieve self-support, as well as income of an individual who is severely physically disabled (with a functional limitation requiring assistance in order to be able to work) as is necessary to pay the cost of attendant care. For AFDC recipients (under S.2777), the first $60 plus one-third of monthly earnings; if an individual's actual work expenses exceed the $60 basic disregard, up to an additional $60 in work expenses is disregarded (the earned income exclusions for AFDC recipients, and child care costs of $100 per month for 1 child, maximum of $300 for a family, or 50 percent of earnings); otherwise same as the current law. Retains current law on Food Stamps, i.e., $60 plus 20 percent of earnings. According to provisions of H.R. 10711, AFDC applicants and recipients have excluded $30 plus 1/3 of monthly earnings; $30 plus 40 percent of earnings for families receiving AFDC on the basis of a parent's unemployment. For Food Stamp recipients, $30 plus 80 percent of earnings up to $595 a month is excluded 60 percent of earnings above that amount.

FOOD STAMPS (FS)

Comprehensive bills:

Under H.R. 9030 the Food Stamp program is repealed and FS bonuses are converted to cash for AFDC & SSI recipients. Kept as an option under H.R. 10950.

Incremental bills:

Retain FS coverage plus minimum cash benefit for families with children, and FS coverage alone for single individuals and childless couples. For SSI, S.2777 retains new FS law which, combined with SSI, provides a federal benefit

of $2,334 to $2,614 for an individual and $3,612 to $3,884 for a couple (amount depends on the shelter deduction which the recipient is eligible to take in the FS program). H.R. 10711 provides for increasing the federal SSI amounts by $180 per year for an individual, $360 per year for a couple (beginning in 1980) and making SSI recipients ineligible for FS bonuses. Both bills retain the FS program for individuals and childless couples; the current benefit value is $624 for an individual, $1,152 for a couple. Also, the household is not eligible for FS if a member who is required to register for employment refuses a job, or refuses to comply with reporting or inquiry requirements.

EARNED INCOME TAX CREDIT (EITC)

Comprehensive bills:

Taxpayers that maintain a household in the U.S. and have either a dependent child under age 19 or a disabled dependent are eligible for the EITC. Under H.R. 9030: Amount of credit is 10 percent of earnings up to $4,000 (5 percent up to maximum $9,100 for family of 4). Under H.R. 10950: 12 percent of earnings up to $3,000 for a family of 2; $3,600 for a family of 3; $4,200 for a family of 4. It continues to increase by $600 increments for additional members of a family. Credit phase out at a certain percentage of earnings above these amounts: H.R. 9030 -- 10 percent of earnings above the income level qualifying for the maximum credit; H.R. 10950 -- 6 percent of earnings above the income level qualifying for the maximum. Thus, under H.R. 10950 for a 4-person family the credit would end at gross income of $15,650, compared with the current limit of $800 for all. Earnings levels at which the EITC begins to phase down are indexed (according to the CPI) for years up to the year of implementation. Credit is not payable for earnings in public service employment jobs.

Incremental bills:

Essentially, the same as the Comprehensive reform proposals, with varying percentages of earnings, from 20 percent of earnings of $5,000 under H.R. 10711 and 15 percent of earnings up to poverty level under S.2777. Under S.2777, credit phases out at 20 percent of earnings above these amounts (for a family of 4, the 1977 maximum credit would be $929; it would phase out at an income level of $10,835). Under H.R. 10711, credit phase out between $7,500 and $15,000 is at a rate of 13.3 percent; no variation for family size; maximum credit is $1,000 at earnings between $5,000 and $7,500. Includes cases where a child is living with a taxpayer who is not his parent, but who is providing more than half of the support of the child.

JOBS PROGRAMS AND WORK REQUIREMENTS (Failure to Meet Requirements)

Comprehensive bills:

1. Jobs Programs - Principal earners in two-parent families and single parents are eligible for new CETA Title IX employment or training provided by CETA prime sponsors after 5 to 8 weeks of job search. There are no income eligibility requirements. Jobs pay federal minimum wage in H.R. 9030 and state or federal minimum, whichever is higher, in H.R. 10950 and states may supplement. Duration of job would be from 1 year (after which employee must undergo a new 8-week job search period) under H.R. 9030, to 18 consecutive months under H.R. 10950. Both bills provide authorization for up to 1.4 million employment and training opportunities under the new CETA Title IX program: H.R. 9030 -- 1.4 million slots; H.R. 10950 - an estimated 1.1 million slots.

2. Work Requirements - Persons expected to work full time include one parent in each two-parent family, single parents in families where the youngest child is 14 years or older and unrelated individuals. Single parents in families where the youngest child is between 7 and 13 are expected to work part-time. All applicants are referred to the Department of Labor and are required to accept offered employment, with the following exceptions:

a child under 18;

a member of the household unit who is over 17 and under 21 years of age and is enrolled in an elementary or secondary school;

an aged, blind or disabled individual or a person with a temporary incapacity;

one adult member of a household that includes either a child under the age of 7 or an individual who is aged, blind or disabled or incapacitated and in need of a caretaker at home;

one adult member other than the principal earner of a household consisting of two or more adults and at least one child;

an adult member of a household who is enrolled as a full-time student, if his monthly earnings equal the Federal hourly minimum wage times 20 hours per week or he is the only adult in a unit with a child over 6 and under 14 years of age.

3. Penalty for not meeting the Work Requirements - If a person who is required to accept employment refuses to do so, that person is not counted in determining the amount of the benefit. A family's benefit is further reduced by the loss of the special increment due to each family with children. For example, a family composed of two adults and 2 children with a $4,200 benefit would lose $1,100 (the amount payable to an adult), plus $800 (the increment payable to a family with children), for a total reduction of $1,900.

Incremental bills:

1. Jobs Programs - retains requirements in present law for participation in work incentive (WIN) employment and training programs, administered by the states. Principal earner in an AFDC-UF family who has completed a 90-day job search period is given first priority for a public service job under an amended CETA title VI program. Remaining title VI jobs are distributed 50 percent to other AFDC recipients, and 50 percent to other long-term unemployed persons (after job search). Jobs would pay prevailing wage. Jobs under CETA are limited to 12 months.

Under H.R. 10711, the parent in a two-parent AFDC-UF family who has the greater job experience or employment potential has first priority for participation under an expanded state-administered work incentive (WIN) program; jobs will pay minimum wage. Other AFDC parents are also eligible, as under present law, persons may be placed in public service employment only after 16-week job search. Payment to a public service employer is 100 percent of cost of employment in the first year, 75 percent in the second, and 50 percent in the third (current law).

S.2777 authorizes $565 million for WIN jobs and training; authorizes sufficient funds to provide 750,000 public service jobs in FY '79 and FY '80, 500,000 in FY '81 and '82 and $375,000, thereafter, under CETA title VI. H.R. 10711 authorizes up to $5.5 billion for WIN jobs and training - estimated to provide 500,000 public service jobs; two-thirds of State WIN allocation is to be spent for OJT and PSE programs. As a private employer subsidy, S.2777 provides tax credit of $1 per hour for 1 year to private employers who hire additional employees. Eligible persons include AFDC recipients, persons unemployed for more than 6 weeks, and unemployed youths, all of whom must have completed 90 days job search; and persons terminated from CETA public service jobs who have completed 30 days job search.

Provides job voucher program amounting to $1 per hour for 1 year to private employers who hire additional employees at the prevailing wage; those eligible are the same as above with the added requirements that they must be from households with incomes not exceeding 70 percent of the BLS lower living standard. Employee cannot participate in both tax credits and job voucher programs. H.R. 10711 expands the current WIN tax credit available to employers who hire WIN registrants; credit is limited to first $6,000 in wages for an employee for 1 year.

2. Work Requirements - For AFDC recipients, S.2777 retains present law, which requires that all applicants register for (and participate in) the work incentive (WIN) program, and accept offered employment, except:

a child under 16 or attending school full time;

a person who is ill, incapacitated or of an advanced age;

a person whose presence in the home is required because of the illness or incapacity of another household member;

a mother or other relative caring for a child under age 6;

a mother or other female caretaker of a child unless the father or other adult male relative who is in the home and required to register refuses to do so, or refuses WIN participation or employment;

a person so remote from a WIN project that his effective participation is precluded;

a person who is working or in a college program for at least 30 hours per week, and a person who is in a public service job under CETA Title VI.

For AFDC recipients, H.R. 10711 is similar to the present law. It requires applicants to register for and participate in WIN if they are physically and mentally fit and between the ages of 16 and 60, unless they are:

a parent or other relative caring for a child under age 6 or for an ill or incapacitated person;

a parent or other caretaker of a child in a family in which there is another person subject to the work requirement;

a student enrolled at least half-time in school or training, or in an institution of higher education; students in institutions of higher education must be employed at least 20 hours a week or in a Federal work study program, have weekly earnings equal to the minimum wage times 20 hours, be registered for work amounting to at least 20 hours, or be head of a family with dependents;

employed at least 30 hours a week or receiving wages equal to the minimum wage times 30 hours. The requirements for Food Stamp recipients are generally the same as under AFDC, according to H.R. 10711.

For Food Stamp recipients, under S. 2777, the provisions of present law are retained. All applicants are required to register for and accept employment, except:

a child under 18, or a student attending school at least half time;

a person who is physically or mentally incapacitated, or over the age of 60;

a person caring for an incapacitated person;

a parent caring for a child under 12;

a parent or other caretaker of a child when another able-bodied parent is registered;

a person complying with the work registration requirements under WIN or the unemployment compensation program;

a person employed at least 30 hours a week or having weekly earnings equal to the minimum wage for 30 hours employment.

a person registered and participating in a drug or alcoholic treatment program.

3. Penalty for not Meeting the Work Requirements - For AFDC and AFDC-UF, under S.2777, an individual required to register with WIN is not counted in determining the family's benefit if that individual refuses to register for or particpate in the WIN program or refused employment, and payments are made to a protective payee. Under H.R. 10711, if a household member required to work refuses to comply with the work requirements, all cash payments must be made in the form of protective payments. If no protective payee is found, the family payment is reduced $100 per month. The present law is retained for Food Stamps. The household is not eligible for Food Stamps if a member who is required to register for employment refuses a job, or refuses to comply with reporting or inquiry requirements.

ADMINISTRATION

Comprehensive bills:

Goal is to substantially consolidate and federalize current assistance programs to make administration more uniform. Under H.R. 9030, the Federal Government performs all intake procedures, data processing, benefit computation, and benefit payment operations; however, states are given the option of contracting with the federal government for state performance of intake procedures. According to H.R. 10950, for household units including aged, blind and disabled recipients, the federal government administers federal payments; states have the option of administering supplementary payments or of contracting for federal administration of these payments. For all other recipients, states have the option of (1) performing all administrative procedures; (2) performing intake and verification procedures only, with the Federal Government performing benefit computation and payment procedures, or (3) contracting with the Federal Government for federal administration of all procedures. Establish specific limits on the time which may elapse between application and determination of eligibility.

Incremental bills:

As under present law, state performs all AFDC and Food Stamp administrative procedures; for SSI recipients, the Federal Government continues to administer the federal payment, with states having the option of administering their own state supplements or of contracting with the Federal Government for federal administration of state supplements. Provide option to the state of establishing an automated statewide management information system to assist in the administration of the AFDC program (with Federal matching of 90 percent for developing and 75 percent for operating such systems). Encourage state administration of AFDC by reducing the rate of federal matching if the state plan provides for local administration. H.R. 10711 removes option which states now have for local administration of the AFDC program.

	Bill and Titles		
1.	H.R. 9030	-	The Administration's Bill: "The Better Jobs and Income Act" - Comprehensive
2.	H.R. 10950	-	Special House Subcommittee's Bill: "The Better Jobs and Income Act" - Comprehensive
3.	H.R. 10711	-	Ways & Means Chairman Ullman's Bill: "The Welfare Reform Act of 1978" - Incremental
4.	S. 2777	-	Bill by Senators Baker & Bellmon: "The Job Opportunities and Family Security Act" - Incremental

APPENDIX - D

COMMENT ON REGIONAL VARIATIONS IN BENEFITS PAYMENTS (Based on a study by Janice Peskin)

Many view geographic (rural/urban) variations in payments as a logical extension of differentials based on costs of living. The assumption is that rural payments should be less due to a lower cost of living in rural areas, and that this differential results in an equalization of purchasing power.

It is our contention that regional or rural/urban variations in welfare grant amounts should be based on a rational foundation; that is, some nationally applicable basis for determining those variations. There is no adequate justification that has general acceptance. It has been suggested that current cost of living indices (or a system under which welfare payments would vary according to measures of state median incomes) could provide this foundation. Janice Peskin, however, in her analysis "Geographic Payment Variation in a Federal Welfare System," refutes those claims. A number of Ms. Peskin's principal arguments follow. They are quotations from her summary of that technical paper.

> "There are currently no indices that provide measures of the cost of living across geographic areas. The two available indices -- the Consumer Price Index and the Family Budget Series of the Bureau of Labor Statistics -- are conceptually inadequate as measures of the cost of living across areas, do not cover a full range of geographic areas (most notably excluding all rural areas), and are not applicable to the low-income population. (Emphasis added.)
>
> "The Consumer Price Index does not measure geographic differences in prices. Rather, it measures time-to-time price change in a given area.
>
> "The Family Budget Series of the Bureau of Labor Statistics provides estimates of the annual costs of purchasing hypothetical market baskets of goods and services at three levels. Budgets are available for a family of four, with a full-time working male head, and for a retired couple. The "lower" budget for the four-person family averaged $9,588 in 1975, well above the $5,500 poverty threshold. Thus, the budget does not represent low-income families. Budgets are available for 44 selected urban areas; not all states are represented nor are any rural areas. (Emphasis added.)
>
> "To develop a reasonably accurate geographic cost of living index would require a minimum of five years and perhaps $50 million. Moreover, there are many difficult measurement problems surrounding the concept of a geographic cost of living index. Most importantly, when preferences of consumers differ from place to place, there will be no single "true" cost-of-living index. A meaningful index must also accomodate geographic variation in the quality and availability of commodities and in the needs, for example, of those who are affected by climate. As a result, any cost-of-living index will, to some degree, be arbitrary.
>
> "As a result, use of a cost-of-living index to adjust welfare payments will fall short of the intended outcome, namely horizontal equity across recipients*. This is exacerbated by the aggregation that

*The issue of "horizontal equity" has to do with whether individuals in like circumstances are treated the same. For example, do aged individuals have entitlement to the same minimum federal cash grants in all states? Horizontal inequity exists, for example, in the case of two-parent poor families, who are eligible for UF in some states but not in others. Horizontal equity also concerns the variation in benefit amounts accruing to recipients in similar circumstances.

will of necessity occur across areas and across families within an area. If intra-area and inter-family variations are large, the aggregate (area) index will be a poor indicator of the cost of living for some places within the aggregate. This may be especially true along geographic boundaries. (Emphasis added.)

"Administration of a welfare system in which payment standards differ geographically is more complex and costly than administration of a system with uniform standards nationwide. Because eligibility limits would vary from place to place, outreach programs are more complicated. In addition, geographically different payment standards might well preclude integration of welfare with the income tax structure. (Emphasis added.)

Ms. Peskin goes on to cite probable difficulties of an alternate method under which welfare payments would be indexed on state incomes:

"....welfare by state income differentials obviously leads to different Federal welfare payments to individuals in different areas, even if their situations are similar. The horizontal equity of the system is at issue. Several points are important. While the cost of living and incomes are undoubtedly related across geographic areas, incomes are not a close proxy for the cost of living. If the system's purpose is to provide a minimum bundle of goods and services, payments that vary because of regional income differences are not equitable. However, poverty and need are sometimes viewed as relative concepts, dependent on local incomes; such concepts may lend support to an income-indexed welfare system although a uniform Federal minimum with state supplements may be more appropriate.

"....Wages and incomes do vary sharply across states. Estimates of median family income in 1975 ranged from $16,727 in New Jersey to $11,562 in Mississippi, among states in the continental U.S. A rise in income levels was generally associated with a decline in the proportion of the state's population in poverty. Wage and income levels in the Southern region are generally lower than in other regions, partly because of larger concentrations of the population in rural areas where incomes are generally lower. However, there is considerable variation in state rankings depending on which of many statistical series on state wages and incomes are utilized. (Emphasis added.)

"....The effect of income maintenance programs on the work effort of recipients is a widespread concern. So far, income maintenance experiments to study this effect have found only a modest decline in the labor supply of families of wage workers. Most importantly for our purpose, the evidence from the experiments shows little, if any, relation between work effort and the level of the basic payment. (Emphasis added.)

"....Not only will individual recipients in low-income areas receive lower payments than individuals in higher-income areas but the low-income areas themselves will receive fewer funds than under a uniform payment system. The relative flow of Federal funds would thus favor areas least in need rather than areas most in need." (Emphasis added.)

Source: Peskin, Janice. "Geographic Payment Variation in A Federal Welfare System." Technical Analysis Paper No. 14 Office of Income Security Policy, Office of the Assistant Secretary for Planning and Evaluation, Department of Health, Education, and Welfare. January 1977. pp. I-2, I-8.